

INSIDE: PROTECTIONISM AND THE U.S. PRIMARIES

Maclean's

FEBRUARY 15, 1988

CANADA'S WEEKLY NEWSMAGAZINE

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COVER

Calgary welcomes the world

Thousands of tourists and athletes are converging on Calgary for the Feb. 13 opening of the Winter Olympics. And for 16 days the visitors and millions of TV viewers around the world will see a modern, gleaming metropolis—presided over by Mayor Ralph Klein, as jovial as he is popular. —Page 24

COVER PHOTO BY MICHAEL SHERRILL
ARTISTS BY A. RAY (2/10)



Mulroney's new tricks

Prime Minister Brian Mulroney fired Michel Chén from his cabinet after he discovered that the minister had not properly declared a \$250,000 personal loan. —Page 13



Campeau strikes again

A year after taking over Allied Stores, Canadian magnate Robert Campeau is trying to buy control of another U.S. retail giant, Polaroid Department Stores. —Page 42



Primary protectionism

The protectionist trade policies of U.S. presidential contender Richard Girardin are a key issue swirling out of this week's important Iowa caucus votes. —Page 18



A Montreal discovery

A chance meeting on a Montreal street has led to an award-winning career for French actress Emmanuelle Béart, who stars in the movie *Monsieur de Sade*. —Page 39

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"The will of God"

The real trouble with fundamentalist religion ("God's new tenants," Cover, Jan. 18) is that it so readily and unreflectively equates every human separation, opposition and self-serving prejudice with "the will of God," whether it be a belief in divine mercy, love and justice, race prejudice, apartheid, women's inferiority, sex, birth control, racism, capitalism, communism, racism—whatever. And if something is "the will of God," it follows that any means used to achieve it is justified—terrorism, brainwashing, cruelty, repressive laws—anything! People should learn to imprint their own disclaimer on every religious communication they receive: "Warning—the contents of this message could enable you, but they also could be injurious, even fatal, to you or to society!" —**ROBERT A. LEIDERMAN**
Perry, Second, Ont.

You unwittingly conveyed a massive misconception in your statement that fundamentalist Christians have become more politically active in the United States "despite its constitutionally mandated separation of church and state." Although often used today as a false political device, the First Amendment was not issued in order to remove religion as an influence in civil government. The First Amendment had only two purposes with respect to religion: to prevent any specific religion from being named national church for the United States and to prevent government from interfering with religious freedom. —**JOHN MORTON**
Capeville, R.I.



Known: a fundamental problem

Belittling Hubbard's popularity

The unauthorized biography of L. Ron Hubbard by Russell Miller ("The gold mine in heaven," Books, Jan. 26) is an attempt to belittle the popularity of a man whose works have had a profound and positive influence on millions of people. It was based on interviews with a handful of people who no longer subscribe to the beliefs and tenets of Scientology. These comprise a minuscule fraction of the number of successful men and women who apply Hubbard's discoveries to their lives with excellent results. Yet such people and their many successes are not mentioned in this book. This is like writing a biography of Jesus Christ by interviewing only Judas Iscariot and Pontius Pilate. Scientology and Hubbard's many best-selling books will be around long after the world-be biography in question has faded on the remainder shelves.

—**CATHY ELIOT**
Director of Naval Affairs,
The Churches of Scientology, Canada, Toronto

A handsome effort

Your special issue on the Olympics ("The Games of Winter," February, 1988) is the most attractive and handsome effort of its kind that has ever been done. As an Olympic Games historian, it is my business to obtain pre-Olympic Games publicity—and I have done just that for more than 55 years. The photography is unrivaled, and the selection of articles fully displays the Olympic experience of your staff. Congratulations to you and your staff!

—**JOHN LEUCK**
Pennsylvania State University,
University Park, Pa.

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Mail correspondence to Letters to the Editor, *Madison's Magazine*, Madison, Wisconsin 53601. 775 May St., Honolulu, Out. 809 P 147

LETTERS

DEATH DISCLOSED: Of former Soviet leader Georgy Malenkov, 88, on Jan. 14 Soviet officials said last week that they had delayed the report of his death at the request of Malenkov's family. Malenkov, who rose to the senior ranks of the Soviet leadership during Josef Stalin's purges in the 1930s, succeeded Stalin for 16 days after the dictator died on March 5, 1953, as head of government. But after losing power plays, Nikita Khrushchev unseated Malenkov completely out of power in 1957 and he had lived in obscurity ever since.

CONFIRMED: As a U.S. Supreme Court justice, former California federal judge Anthony Kennedy, 53, by the Senate in a 97-to-0 vote. The conservative Kennedy maintains a high reputation among liberals for his unshaken devotion. President Ronald Reagan's first choice to fill out the nine-member court, Robert Bork, an extreme right winger, failed to win the Democratic-controlled Senate's approval last October. Reagan's second choice, Douglas Ginsburg, withdrew his name the next month when it was disclosed that he had smoked marijuana.

DIED: Child actress Heather O'Rourke, 18, star in the three Poltergeist horror movies, of asphyx shock during an operation in a San Diego, Calif., hospital to correct a bowel blockage. O'Rourke's colleagues marveled at her natural acting talent and her ability to memorize lines quickly. As well as her role in Steven Spielberg's Poltergeist cycle, she had appeared in television's *Myopie Days*, *Winter and Still the Dreamer* in the first Poltergeist, filmed when O'Rourke was only 7, she was best-known for her key role "They're here!" when the evil spirits arrived. The actress who starred as her teenage sister, Dominique Danne, was strangled by a jealous boyfriend in 1982.

ABANDONED: To William and Elizabeth Stern, mother of Melissa (Baby M) Stern, 25 now, the child born to Mary Beth Whitehead, and the central figure in a controversial surrogate-mother agreement by the New Jersey State Supreme Court in Trenton. Whitehead, who has been scarred by Wall Street accountant Irena Givoli, tried to back out of her agreement with the Sterns under which she received \$13,500 for conceiving—by artificial insemination with Stern's sperm—and bearing the child. Ironically, the court also ruled that the contract was invalid because state law prohibits adoptions for money, but the judges declared that the Sterns could offer the child a better quality of life.



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A three-year diplomatic balancing act

On Oct. 5, 1984, former Ontario New Democratic Party leader Stephen Lewis astonished many Canadians by accepting the post of ambassador to the United Nations from the federal Conservatives. Since then, observers have generally agreed that the appointment was one of Prime Minister Brian Mulroney's best. Besides challenging issues such as global action on the environment, Lewis, 50, serves as special adviser on Africa to UN Secretary General Javier Pérez de Cuellar. But Lewis has said that he may leave his job at any time this summer. He has begun work on a book about the UN and, with journalist wife Michele Landsberg and daughter Jenna, 17, he plans to return to Toronto where their other two children, Ais, 10, and Evan, 25, are studying. *Maclean's* Assistant Editor Julia Bennett interviewed Lewis in Toronto.

Maclean's: In the United Nations the more representation it has when you accept your appointment in 1984?

Lewis: No, it is not, because of a very unexpected development, and that is a loose alliance between the Soviet Union and multilateralism. As part of Soviet leader Mikhail Gorbachev's plan, the Soviet Union in the latter part of 1987 suddenly decided that the UN was a focal point for its international activity. First of all, the Soviets announced that they were going to pay all their peace-keeping costs, which amounted to something in the neighborhood of \$800 million to \$900 million. Then they announced that they would pay any arrears owing on the operational budget—which they did. Then, around Afghanistan, they moved heaven and earth to persuade the international community to let them amend the traditional resolution condemning the Soviet occupation and said that if we were prepared to accommodate these amendments, they would then vote for a resolution that asked them to remove their troops from Afghanistan. And as that was enough, they initiated a major resolution on international peace and security.

Maclean's: But are the Soviets doing more with more initiatives?

Lewis: One never knows—if it helps the cause, I am inclined to give the Soviets the benefit of the doubt and treat it as a matter of realism. They were walking around the corridors as though they had been liberated. There were smiles on Soviet faces that you never saw before, they were not dour and sour and combative and dismissive. And the West, I think,



Lewis: 'There are times when a fellow like myself can't feel comfortable.'

was thrown into a bit of a tizzy. Now, in fact, most of the things they initiated the rest of the world did not buy. But everybody encouraged them to keep at it. At precisely the same moment the United States was retreating yet further [from the UN], and the Americans have paid only 50 per cent of their [\$600-million] statement for 1986 and 1987. So for the moment, the classic Gorbachev initiative seems to have the upper hand.

Maclean's: You have said that if there were fundamental rifts between you and your Conservative employers, you would quit. One you live with the Mulroney government's policies?

Lewis: Yes, partly because I am a coward. On certain issues I have chosen not to speak and others have spoken, as is perfectly proper—Conservative members of Parliament, our deputy [Ambassador Paul Laberge], others in the mission. In other words, there are times when a fellow like myself can't feel comfortable in a whole policy area. And what the job allows is that you do not have to be on the hook on every single issue. I made up my mind when I took the job that I wouldn't be ideologically pretentious.

Maclean's: This year our world view changed after seeing the UN. **Lewis:** Oh, yes. The week before I got the

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Swinging a seasoned bat

George Bakewell steps up to the plate. He adjusts his bow tie while his name is announced over the public address system, signals through thick glasses at the pitcher, wiggles his bat—and swings at the pitch. The bat connects. Bakewell slowly starts toward first base as the ball takes a well-worn bounce into the infield. A number of the opposing team scope it up and makes a double play. Bakewell's teammates offer sympathy—even though it was unlikely that he would have made it to first base unless there was an error. But despite his slowness, Bakewell, 96, is one of the most popular players of a legendary sports organization in St. Petersburg, Fla.: The Three-Quarter Century Softball Club. Membership is limited to men 75 and older—and all of them resolutely refuse to act their age.

Good Morning America and featuring in numerous articles and TV documentaries in countries as far away as Japan. The reason for their popularity is clear: the men play from a deep-seated love of the game. Harry Turlman, 90, a retired machine-shop instructor from Rhode Island, is one of them—despite being warned twice by his doctor to

stop, once after undergoing double bypass heart surgery in 1981 and again in 1984 when he had to start wearing a pacemaker to maintain his heartbeat. "It's a miserable old thing," Turlman said. "I can't play checkers or cards, and I don't like soap operas. If I dug dead on the field, I want them to bury me on the spot. That is where I want to be."

The Kids and Kubs began in 1930, when Kwitya Ritzelhouse—a former New York actress who moved south for health reasons and began to run a residential hotel for seniors in St. Petersburg—decided to establish a softball club to keep her more energetic tenants entertained. To protect themselves from heart attacks, the members decided that running—either around the bases or chasing balls in the field—would not be allowed. That rule lasted until the third inning of the first game, when, in the heat of competition, a batter decided to try to beat the throw to first base. The umpire—Ritzelhouse—called him out. The player threatened to quit. After a heated argument, the no-running rule was overturned.

The Kids and Kubs play by rules that make at least some concessions to the age of the players. If one of the teams gets a four-game lead in the standings, the other is permitted to

job I had written a *Maclean's* column saying that caging up in the Americas was our form of colonialism. I was aware that the world doesn't look at it that way at all. The world hardly knows. When Canada takes an independent stand on issues, that is important to the world generally, that is what we are judged by. It is not to make the impression that is not unopposed or unendorsed by this very close relationship [with the United States]. I would not have believed that in 1984.

Maclean's: To what degree does American foreign policy influence Canada's UN role?

Lewis: It is almost negligible. Arms control and disarmament are the most sensitive areas. And that is not a surprise. As we see a NATO collapse, and we are a world-leader, it is natural that these things would influence our behavior. But I can count on the fingers of one hand where an American position would influence us more than another position. Look, the whole verification resolution (asking for accurate methods of counting nuclear weapons as a condition of arms negotiations) in Canada's *Maclean's*. Did anybody think Canada not support a resolution in favor of expanding the Partial Test Ban nuclear treaty to a Comprehensive Test Ban—a cornerstone of Canadian foreign policy since the Prague pact?

Lewis: We didn't vote against it, we abstained, for two very good reasons. Firstly, in order to convert the Partial Test Ban agreement into a Comprehensive Test Ban agreement, you need the agreement of the nuclear superpowers. And the United States, the United Kingdom and France voted against this resolution, as they always do. Secondly, it opens up the treaty to its jeopardization what we already have. That is one case where we differed from the Americans and where it made sense. Now, on the nuclear force resolution [called to a vote in 1985, 1986 and 1987], I would personally very much have liked to vote "Yes." But the [Malruay] government voted against it. That is one instance where I take a backseat, and when I took the job I knew that these points would come up. But there is not a case to be made in my experience for suggesting that Canada is playing a leadership role in the United States. There are too many places of difference: South Africa, UNBIO, debt, Africa, UN budget reform, all of the Central American issues, human rights.

Maclean's: One of your themes is that Canada and other Western nations have left Africa alone to bring about to match their surge in development with aid and loans—how much more generous can Canada afford to be?

Lewis: We can be 50 per cent more generous, which will bring us to the target donation rate, perhaps saving \$200 million

in 1993, of seven-tenths of one per cent of our gross national product. There are at this moment precisely four countries that have exceeded the 0.7 per cent target: the Netherlands, Denmark, Norway and Sweden.

Maclean's: As an ambassador, and being Jewish yourself, do you think Israel should consider a plan to establish a homeland for the Palestinian people?

Lewis: It doesn't work that way. Israel should seriously consider participating in an international peace conference, with direct negotiations among all of the key players, under the aegis of the

international community there is a very, very strong sense of a bipolar country on Central America and a country whose policies are distinctly different from the United States. And above all, I have felt good about the encouragement I got to advocate the ability of the UN. To have Canada say so to the world, and to the United States, that we believe in this international organization and, by God, we are not going to submit to the detraction—I like that role, and I think that is an important role for Canada.

Maclean's: What is ahead for you—can you see yourself being involved with the



Lewis with Malruay (left). "I could never support a Liberal-NDP coalition."

UN. For my money, the best report on that came out of the UN on Jan. 22, and what it says is that, at the international community has been disfigured, not merely the participants to the conflict, and there must be a settlement, and the vehicle for that settlement is an international peace conference, and by Israel has to be prepared to see the Geneva convention as a serious matter. It is an occupying power and it should be treated as such. I think both of these recommendations are creditable with Canadian policy—they are certainly comfortable with me.

Maclean's: What are you most proud of accomplishing at the UN?

Lewis: I genuinely don't feel it in a personal sense, because I have an outstanding group of colleagues at the mission. But I have felt very good about what we did in Africa. I have felt good about the position we have taken on South Africa—it has meant a lot to developing countries—and in the inter-

national NDP government—or a federal coalition?

Lewis: That is when I sure in my party said I did not become a New Democrat, I cannot even hear the words "coalition government" without getting into a frenzy. I could never support that.

Maclean's: Is there a chance that you will return to active Canadian politics?

Lewis: No, absolutely not. I'm going to write a book—I'm really looking forward to that. I want to write about the UN, about Canada's role. And I want to write—I hope with vigor—about American policy internationally and at the UN, and about the ways that the Americans have used and abused the organization. I'm going to make some speeches to earn some money to stop alive, and I hope I'm going to do some international things from time to time. And no more than that. No, my involvement in politics is over. Stephen Lewis is disappearing from the political scene. □

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pride its weakest players for the leading squad's best player. Although games last a full nine innings, the teams play with 11 men on the field instead of the customary nine. Players do not have to play full games, and hustling, sliding and stealing bases are not allowed. And to compensate for the inevitable slowness brought on by advanced age, runners are permitted to leave bases as soon as a pitch is thrown and may return to base safely if there is no hit.

New club members are usually se-

Members of the Kids and Rats take physical conditioning seriously. Bakewell, a retired real estate and insurance salesperson from Toronto, Mich., lives on the second floor of an oak-shaded retirement home. Nearly every day after breakfast he elicits the stairs 10 times. On the floor near his television set is a ball-worker, an exercise tool consisting of two handles mounted by four rails that Bakewell uses to strengthen his arm and leg muscles. Pulling on a shortened baseball bat tied to a towel bar



Bakewell, Garsford (right): 'you get that dream, and you don't like to quit'

lected after tryouts—and after reaching the requisite age—from St. Peterburg's one-half-century league and two 60-year-olds. Many of the players say that they have played baseball for almost all of their lives. 80-year-old Robert Garsford, a retired carpenter, told Maclean's that he has not missed a season since he turned 14. And many continue to play despite aching hands. Retired waitress Harry Ryker, 77, who plays right field because he is blind in his left eye, said that he does not consider the age-haunted surgery that he underwent to be a handicap. And six-foot-tall Joseph Giffard, 80, who is still lean and muscular, has been playing for 12 years with an artificial right hip made of plastic.

Other members continued to play past the age of 100, and some have died on the field. Bakewell recalled a game in 1959 when he was coaching first base and one of the players "swished up to 50th a high throw and came over to my arms dead." Then, shaking both fists in the air in a winner's salute, he added, "What a nice way to go."

with a thin rubber base keeps his shoulder and back muscles in shape. At night he naps around his apartment to strengthen his calf muscles. And many of his fellow players also are deftly graceful in their constant physical shape. Declared pitcher John (Poppy) Hill, 75, a retired truck driver, "I will never grow old. I can do what any kid can do."

Bakewell credits his exercise with walking to his continued playing as his catcher's position for at least two innings a game. He added that he can "squat behind home plate without groaning and grasping when I get up." And from October to April, about three times a week, he puts on the club's traditional uniform—white pants, white shirt and a black bow tie—and joins his teammates to play the game that they love. "It's not my whole life," Bakewell said. "But it is the centre of my life. You get that dream," he said, raising a quavering finger at the air, "and you don't like to quit."

—JUDY GARDNER in St. Peterburg

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Chipping away at B.C.'s giants



By Diane Francis

When Peter Lougheed became Alberta's premier in 1971, the province had a wealth of oil resources. But a few foreign-owned multinational companies straggled out on all the best drilling sites—leased to them by the government, which owned natural rights to 80 per cent of Alberta's land. That domination saddened Canadians from the outset, and the control that these companies exerted over refineries resulted in artificially low oil prices (paid to independents for their oil). But Lougheed backed up the attack by taking tough, unilateral action. Now, a similar concentration of power plagues British Columbia's forest industry. And the 1986 softwood lumber battle with the Americans, who were upset at our low tree taxes, underscores the need to bust up Canada's tree trust.

The Americans claimed that the way our stumpage fees (prices paid for logging a tree owned by the province) were assessed meant that taxpayers were subsidizing the major forestry companies. The Americans were 100-per-cent right. Only a few firms control 95 per cent of B.C. timber-cutting rights, through long-term leases. Just last issue the *Los Angeles New Zealand* conglomerate Fletcher Challenge (which owns Crown Forest Industries and just acquired British Columbia Forest Products), MacMillan Bloedel, part of the Peter and Edward Broadbent empire, OJ Inc., owned by the Canadian Pacific conglomerate, and Canfor Corp., controlled by the wealthy Bentley family of Vancouver. Small gaps remain for the other eight per cent of cutting rights, some of which are auctioned off each year.

But small operators control one per cent of B.C. timber in the 1986-1988 fiscal year—and paid fully 11 per cent of the stumpage fees. Big companies with long-term leases paid stumpage fees of only \$2.15 per cubic metre on average, while independents who bid competitively each year paid \$5.35 per cubic metre. And besides being unfair, stumpage fees are woefully inadequate. In 1985-1986 the province spent \$483 million on forest administration and collected \$339.3 million in stumpage fees. These and other figures were compellingly cited as evidence by American trade officials in 1986. The U.S. timber industry pressed for a 25-per-cent countervailing duty on lumber imports from Canada, and the American government officially proposed a more modest 15 per cent. Inter-

national Trade Minister Pat Carney announced that in December, 1988, by assuming a 15-per-cent export tax on Canadian lumber, our big logging will impose fiscal penalties in world trade binary. Opposition parties advanced that it was a shameful retreat to U.S. wishes, and MacMillan Bloedel chairman Adam Mansergh underscored the fiscal inequity in the *Times*. But B.C. Premier Bill Vander Zalm admitted that the United States had a point. Now, the Americans have agreed to let higher stumpage fees replace the export tax beginning next year, and the B.C. government is raising stumpage fees with the goal of tripling forestry revenues to around \$80 million a year.

But closing up stumpage fees will not solve the industry's problems. "Counterbalancing duties drew attention to the issue," said Dan Hanson, president of the Truck Loggers Association, whose 300 members fell and bust trees for the big

Big logging firms, cushioned by historical land rights, have shut out independent loggers and neglected B.C. forests

forestry companies. A full-blooded Nuuksich Indian and successful businessman, Hanson says that the root of the problem is long-term cutting rights granted decades ago that are now in the hands of few companies. The law allowed them to shut out others and not contribute enough toward replanting.

One result has been environmental problems in British Columbia, a land area in the interior equivalent to two-thirds of the Netherlands but not being reforested. "The way we have parcelled out our forest resources is a national scandal," said Bill Masman, another independent logger. "It has been cut the best, leave the rest and move on."

Such issues were hotly discussed at January's annual meeting of the Truck Loggers Association in Vancouver. Conference displays ranged from brochures about forestry courses to tents, chain saws and giant helicopters. Such equipment puts these independent loggers millions of dollars in debt to do the job, but few are free from exploitation.

Many are caught in the clutches of corporate giants that employ bully-boy tactics. "You might be asked by a big

company to set up a work camp in some remote location," explained Hanson. "So you ship up \$50,000 worth of supplies, \$20,000 worth of groceries, and a couple of crews, one 50 men. Then after two weeks they tell you to move the camp, without compensation, or they just cancel." One independent told *Monks* that he was forced to drop his prices by 11 per cent overnight by a large company for which he had worked 25 years. Like most, he would only talk anonymously because of fear of reprisals.

Clearly, Vander Zalm must set up an arbitration board to settle such disputes. He should also adopt reforms similar to Lougheed's in Alberta, but companies drilled selectively, looking only for big yields, ignoring the fact that small Canadian independents were willing to search for smaller reserves. Alberta required the larger companies to drill or lose their leases, forcing them to let small companies drill in return for a piece of the profits. Most importantly, Lougheed made Alberta the monopoly buyer of oil. Big refiners then had to pay a fair price for oil from everyone, including competitors, thus sparking even more activity.

Similarly, the government of British Columbia should become the only buyer of logs in the province. That would hike the artificially low prices paid to independent loggers, which would in turn encourage independent logging and raise more logs available to small mills. And the province should open up rights. On Vancouver Island, for instance, there are huge reserves of second-growth timber up to 60 years old that should be thinned to ensure better crop. "The loggers are not thinning because their mills are not equipped or numerous enough to handle smaller logs," said Masman. "But independent mills and loggers would love to do it, if they were given the right." Alberta all over again.

British Columbia partially recognized the problem in the mid-1970s and asked forestry grants to subcontract half of their logging operations to independents. This was rejected until 1978, when a tougher law was passed. What is needed now is recognition that competition means more jobs, more efficiency and more opportunities. Betting up the tree trusts is a logical extension of Vander Zalm's policy of betting on big unions and big Crown corporations. Concentration of power not only makes weaker, more enterprising entrepreneurs, but it angers our biggest trading partner. It may also cost us our future forests.

New trials for Mulroney

It was just the kind of reception that Brian Mulroney needed. Facing a political storm in Ottawa over his decision last week to fire Michel Côté as minister of supply and services, the Prime Minister flew to Saint John, N.B., on Feb. 4 to visit a shipyard that had just received \$17.1 million in federal contracts to build frigates for the navy. While reporters dogged his steps, asking questions about the Côté affair, Mulroney found the shipyard workers unimpressed by his latest political troubles. They welcomed and cheered when he donned Saint John Shipbuilding coveralls. Said steel-plate Christopher Morrison, "He goes on some work here, he put work in for the boys. Yes, I would vote for him. The scandals don't bother me too much."

In Ottawa, however, Mulroney and his Conservative government were not so fortunate. Opposition critics kept up a relentless attack over Côté's Feb. 2 firing, which followed the discovery that he had violated federal conflict-of-interest guidelines by failing to declare a \$250,000 personal loan from a Quebec City friend who is a contractor. For Mulroney, the timing could not have been worse. The Côté affair and Mulroney's troubles erupted just as his government appeared to be regaining some of the popular support it had lost during its rocky 40 months in power. The frustration showed in Mulroney's

face as he met reporters before a Conservative caucus meeting on the evening after the firing. Dejected Mulroney angrily "I've read the riot act time and time again to my caucus and to my ministry. To indicate that I'm disappointed or disappointed today is the understatement of the year."

Côté's departure brought to eight the number of ministers forced to leave the Tory cabinet under a cloud since the government took office in September, 1984. To make matters worse, there were other revelations last week about a second controversy facing the government, that one involving 1984 election-spendings irregularities by Energy Minister Marcel Masse. The two crises hit the government as its weakest spot, credibility and trust among voters.

Seeing that the opposition parties in the House of Commons maintained a barrage of questions over the government's ethical standards, at a time when speculation it widespread that Mulroney will call an election this year. Like many of the ministerial resignations that preceded it, Côté's departure came with little warning. On the morning of Feb. 2, senior officials in the Prime Minister's Office became aware of a possible breach of the conflict-of-interest guidelines by Côté. Theoretically Côté and Masse had later that one of its reporters had been investigating Côté's financial affairs at the time. The

Prime Minister's principal secretary, Bernard Ray, and his chief of staff, Derek Barney, informed Mulroney of the potential problem at 1 p.m.

Mulroney selected them to investigate, and by early evening, with confirmation of an infraction in hand, Mulroney telephoned Côté from 24 Sussex Drive and, in the words of press spokeswoman Marc Lortie, "demanded" that Côté resign. Shortly before 9:30 p.m. the PMO issued a terse three-paragraph state-

ment after the minister had resigned. "I think it's permanent."

Meanwhile, Côté went to the Langevin Block, the ministerial building facing Parliament Hill that houses the PMO, to discuss with Ray the Conservative statement he would make the next day. Côté left the building at about 10 p.m., had a late dinner with several aides at a local restaurant and drove off in his chauffeur-driven limousine at 11:30 p.m. He refused to answer questions, but the next

friend who had granted one a personal line.

However, Côté insisted that "this situation has never placed me either directly or indirectly in a conflict of interest in regard to the ministerial responsibilities that I have assumed." Mulroney, who listened with head bowed as Côté spoke, shook his head before the former minister left the House to burst through a thicket of journalists' microphones and cameras

earlier in the day and that the 46-year-old former accountant appeared stunned by the turn of events. "He said, 'It's over and that's that,'" the friend said. "I have a feeling he hasn't adjusted the wheels of his mind."

In the Commons, the questioning was quick to point out that Côté had left some critical questions unanswered, among them, Who provided the loan and how big was it? Côté's lapse clearly annoyed the Prime Minister's advisers. After Côté's abrupt firing, the advice had expected Côté to make the details public in order to quickly end the affair. Instead, it was left to Deputy Prime Minister Don Mazankowski to confirm the details—after many of them had been made public in the media. Under intense questioning from the opposition, Mazankowski confirmed reports that the "friend" who had lent the money to Côté was René Laberge, a Quebec City building contractor and Conservative party supporter. The loan, Mazankowski said, was "in the order of \$250,000," borrowed in installments over a period of two years. Mazankowski said that he did not know the interest rate Laberge owes. Although Laberge is, a prosperous commercial contracting firm and is a shareholder in Les Travaux de Viroport, a \$15-million condominium project built on federal land in Quebec City's redeveloped port area.

Mazankowski said that senior officials were making an exhaustive check of any federal contracts with Laberge's companies for any evidence of conflict of interest. But those who knew Laberge and that they did not think he would seek to gain favors from Côté by including him as a shareholder. A member of Côté's staff said that the two men, friends for 30 years, were "very, very close," and described Laberge, who is in his 60s, as the 45-year-old Côté's "ambulance angel." Côté has rented a condominium in Laberge's Quebec City complex for \$1,500 a month.

For Mulroney, the conflict-of-interest rules have become a minefield. In September, 1983, Mulroney tightened up



Côté's firing could hardly have been worse.

Mulroney at Saint John shipyard: conflict-of-interest rules have become a minefield.

ment. Information was brought to the Prime Minister's attention, it said, that indicated Côté may have violated the conflict-of-interest guidelines by "neglecting to report a personal loan."

After he read a brief statement to a handful of Commons. Said Côté: "The demands of political life in recent years, both as my family and myself, made it necessary for me to call upon a longtime

A hearty colleague and friend, Guy St-John, for Quebec's Abratis riding, showed reporters aside and blocked the exit door while Côté slipped into his car. A friend who had spoken to Côté

work—because members of companies and corporate affairs, but his moment of glory was short-lived.

During his first year in Ottawa, Côté earned a reputation on Parliament Hill as a humble, likable minister. He was named minister responsible for Canada Post and passed a place on the powerful cabinet committee on priorities and planning. But it was in his work with Canada Post that Côté began to founder. Rural post office closings and the replacement of some hand-delivery services by the so-called no-

personnel were causing public relations nightmares for the corporation, but Côté seemed to be incapable of making decisions. Said an Ottawa Post official last week: "He never did anything he was not put off until tomorrow." Conservative insiders said that Côté's indecision ultimately alienated many backbenchers, who had to find complaints about Canada Post from their constituents.

In a June 1986, relevant shifts, Côté moved from commerce and corporate affairs in the department of regional industrial expansion. But he

found himself in trouble again when the department overran its \$600-million budget for regional business development grants by \$30 million. Last August Mulroney demoted Côté to the department of supply and services.

Many of Côté's friends attribute his financial problems—which prompted him to take a controversial loan from a friend—to the breakup of his marriage. When he arrived in Ottawa in 1984, his wife, Paulette, and their four children resided in Quebec City. Côté became romantically

involved with Lyne Hébert, who had previously worked as his acting assistant. The couple now live together in Ottawa. Friends said that Côté needed the \$250,000 that he borrowed from Quebec businessman René Laberge to pay his wife and child support following his separation.

Although the 45-year-old Côté has kept his Commons seat, Ottawa observers said that it was unlikely that he would run in the next election. Said one Tory organizer: "Michel still has an impressionist list of credentials, but he broke the rules." □

Downfall of a minister

To Brian Mulroney's Quebec organizers, Michel Côté seemed to be an ideal candidate. A successful accountant, past president of the Quebec City Chamber of Commerce and member of the Quebec Carnival organizing committee, Côté had the credentials, the profile and the charm that Mulroney's Conservatives were looking for as the 1988 federal election approached. Party officials were

evidently delighted when Côté—then serving on a candidate recruitment team headed by Guy Ouellette, Mulroney's chief spokesman in Quebec City—decided to run himself in the city's Langevin riding. Said Ouellette, now an Ottawa consultant: "We knew right away that Michel Côté was calist material." After the Conservative election sweep, Côté—second to resign from cabinet last

guidelines revised in 1990 by the Liberal government of Pierre Trudeau. Mulroney insisted that the new code was the toughest adopted by any Canadian government. But last week Mulroney's statement that Trudeau had added rules with as impossible state of affairs "The situation that I inherited from Trudeau is warlike," he told reporters in Ottawa. Mulroney's evident frustration was deepened by the fact that he had initiated after the 1988 resignation from his cabinet of Sinclair Stessen, who was subsequently found by an inquiry to have violated conflict-of-interest guidelines on 14 occasions, that all ministers fill out as exhaustive, 15-page questionnaires to assure that they were in compliance with his conflict code. On Wednesday Mulroney told the Commons that Côté had filed out such a document. Later Hansson said that Côté had said nothing about the Laberge loan in the questionnaire. "We wanted a clean bill of health from all cabinet ministers," said Hansson, "and we thought we had one."

While opposition members demanded more answers about the Côté filing, their attention turned at week's end to the conduct of the Prime Minister himself. They suggested that Mulroney had broken his own conflict-of-interest rules by not declaring approximately \$100,000 that he had obtained from his party to redecorate his official residence. Mulroney refused to answer questions on the matter, but Massonkowski told the Commons that the money was not a loan but an "advance" that did not have to be repaid. Jean-Pierre Kingsley, the associate deputy registrar-general, who administers the government's conflict-of-interest guidelines, said that the rules require the reporting of interest and value, "A liability" that did not have to be repaid. "You have to pay it back."

The opposition was equally determined to win political points over the Masson affair. Mulroney's troubles appeared to be over when no charges emerged from a 1988 investigation by six House of Commons members of the 1984 election spending. But on Jan. 28 Mulroney's *Le Devoir* newspaper published a confidential letter to Masson from then-elections commissioner Joseph Gorman. In the letter, dated March 18, 1988, Gorman told Masson that the minister had "participated" as an instructor of the Elections Act but that

"It would not be in the public interest" to lay charges.

Last week Toronto's *Globe and Mail* reported that an RCMP court affidavit filed on Nov. 15, 1988, revealed that Masson had personally asked his former employer, Levin Inc. of Montreal, to pay \$750 of his election expenses. Then the Montreal *Gazette* cited other 1988 voter affidavits and sources close to the Masson investigation as indicating that he had evaded the legal exchange limit by about \$20,000. Those reports were published in advance of Masson's scheduled appearance this week before a parliamentary committee investigating alleged election expense violations. The allegations against Masson generated a furious debate in the Commons.



Gorman; Masson (right) participating a furious debate in the Commons

Opposition MPs succeeded in getting Gorman, who arrived as elections commissioner for 13 years until he retired at the end of 1987, to appear before the committee to explain why he had not laid charges. Gorman confirmed that Masson "had made requests of third parties to pay certain expenses," but he insisted that it was not a violation of the Elections Act.

Still, Gorman acknowledged, it was a violation of the section of the Criminal Code that makes it illegal to encourage third parties to commit offences. However, Gorman subscribed executive members by testifying that he had decided that charges were not required because Masson's 1984 win in the Frontenac riding was as large—a majority of 15,222 votes—and the amount of money involved so small. Said Gorman: "I am reluctant to use the Criminal Code when the offence is not great." That statement angered over 50 Conservative members of the 45-party committee. Declared Toronto MP John Bosley, a former House Speaker: "There's something. How can anybody have any conscience in a system that does that?"

There was yet another disturbing reminder last week of the government's problems with ethical matters when the trial of former junior transport minister André Bissoneau got under way in St-Jean, Que. Crown prosecutor Hélène Patis told the jury that Bissoneau, her co-accused, Norbert Gauthier, and their wives had made a profit of \$913,000 on a series of land flips. The two men are charged with defrauding Orchem Aerospace Inc., a Swiss-based arms manufacturer that is building a plant in Bissoneau's St-Jean riding, southeast of Montreal, to build a federal defence contract. Because of the land flips, the cost of the site chosen by Orchem for its plant rose to nearly \$3 million from \$800,000 in an 11-day period.

In 1985, Bissoneau joined the ranks of disgraced Tory ministers one year ago, when Mulroney fired him after his involvement with Orchem became public. Tory strategists were clearly concerned last week about the damage that such incidents will do to the government's no-election hopes, coming at a time when opinion polls only recently showed a slight rise in Tory popularity. In Halifax at week's end, Mulroney said 1,600 New South Wales that the Côté fiasco would hasten introduction of a long-delayed "ethics" package for ministers that would replace the existing conflict-of-interest guidelines. As well, Conservative insiders indicated that the government planned to introduce reforms to the Canada Elections Act in order to avoid a repeat of the Masson controversy.

Senior Tories said that they had hoped to capitalize on the party's improved showing in the polls by contrasting Mulroney's honesty with that of federal and smaller governments in the country. Mulroney's visit to the Saint John shipyards was part of a two-day tour of the Maritimes, which also included stops in Halifax and Edmonton, N.S. But even Mulroney's supporters say that he cannot escape his recent troubles. And they acknowledge that another incident like the Côté affair could be fatal. As Mulroney himself said in Saint John, shipyard workers with new contracts have "more job security than a Prime Minister goes."

—MICHAEL BIRCH with MARK CLARK in Ottawa, LISA VAN DUSEN in Montreal and HELENA WACKENHEIM in Saint John

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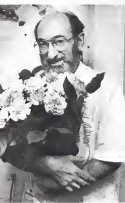


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National divisions about abortion

The two policies underlined the growing political divisions in Canada's wrenching debate over abortion. In British Columbia, Health Minister Peter Duncan declared last week that his government would not pay for abortions unless they were approved by a hospital committee. Despite charges that he was violating last month's Supreme Court of Canada decision striking down the federal abortion law, Duncan maintained "We do not believe that taxpayers' dollars should be used to fund abortion on demand." In Ontario, Health Minister Howie Caplan announced that the province's medical plan would pay the same rate for abortion, even if it had not been paid for hospital procedures. Despite emotional denunciations from anti-abortion groups, Caplan said that Ontario was obliged to follow the law. Abortion, she added, "are an insured service and always have been."

Those two responses reflected the Canada-wide conflict in the wake of the Jan 28 Supreme Court ruling that the abortion law was unconstitutional because it violated a woman's right to "life, liberty and security of the person." The judges ruled 5 to 4 that the law fostered "dangerous delays" and created unequal access to abortion services in different parts of the country. That dramatic decision upheld the acquittal of Dr. Henry Morgentaler on charges of conspiracy to procure illegal abortions. And it left the provinces scrambling to fill the legal breach, using their constitutional power over health issues to regulate abortion. But the resulting regulations only increased the inequalities in access to abortion across the nation, with some provinces maintaining restrictions on services and others making them more easily available. As Lynn Lethbrun, spokeswoman for the Ontario Coalition for Abortion Clinics, observed, "It is a cold comfort for women in the Northwest Territories or rural Alberta to have the right to an abortion but not



Morgentaler at Toronto clinic: no middle ground between two lobbies

be able to get one."

While the provinces tinkered with their health regulations, the federal government examined its legal and political options. Until the Supreme



Dickson: 'abhorring access'

Court ruling, the Criminal Code had restricted abortions to accredited hospitals, and there only when the majority of the hospital's therapeutic abortion committee declared that the pregnancy endangered a woman's "life or health." But three of the five judges who struck down the law indicated that Ottawa retains the right to regulate abortion during the latter months of pregnancy.

That left the federal government in a critical political dilemma, torn between anti-abortion groups and the pro-choice movement in an attempt to find an acceptable compromise. Justice Minister Ray Macphail last week asked the provinces for their advice. Caplan responded that the federal government should pass a new law that would protect fetuses after an unspecified point during a pregnancy.

But there was no middle ground between the two impassioned lobbies. Anti-abortion activists called for tough new legislation to restrict abortions—and to protect the rights of the fetus. They pledged to turn abortion into a major issue in the next federal election. "We are going far beyond," said Laura McCarthy, president of the Right to Life Association of Toronto. "We are going to lobby everything that means—Liberal, New Democrats or Conservatives."

Pro-choice advocates insisted that abortion was a provincial health issue—and that women should have equal access to the procedure. Richard Lethbrun, "to ensure state intervention in women's reproductive systems opens the door to horrifying repercussions." Added Robin Howe, national co-ordinator of the Canadian Abortion Rights Action League. "This is not a Criminal Code matter and should not involve Criminal Code sanctions. It is a health matter between a woman and her doctor."

While those battles raged at the national level, inequalities in access to abortion in individual provinces. In Quebec, the situation was

unchanged. Legislation there has allowed to apply the Criminal Code statute on abortion since 1976 a woman can obtain an abortion after consultation with her physician.

New Brunswick announced that, while it would dismantle abortion committees, its health plan would not pay for abortions performed outside hospitals. In British Columbia, Duncan declared that the government was denying another bureaucratic mechanism to restrict abortion to replace the hospital abortion committee. Pro-choice groups, in turn, were considering a proposal to open the province's first abortion clinic within the next two months. They also threatened to challenge Duncan's declaration in the courts.

There are clear grounds for their challenge, according to one constitutional expert. University of Toronto law professor Bernard Dickson told *Maclean's* that provinces clearly have the right to insist that they pay only for services that are required for medical reasons. "But those reasons could be verified after the procedure is done," said Dickson. "One could argue that the ministry is obstructing access to abortion in ways that prejudice health and psychological well-being."

Other provinces maintained different restrictions. In Newfoundland, the five hospitals with abortion committees disbanded them. But hospital officials refused to confirm that surgeons could now schedule abortions in their operating rooms. In Prince Edward Island, where anti-abortionists disbanded the province's last therapeutic abortion committee in 1968, Health Minister Keith Milligan announced that the province would pay for abortions "with the approval of a committee of three doctors." But hospital boards still refused to open their operating rooms for the procedure. A pregnant woman, who wanted to remove a tumour, said last week that she and her doctor were mounting a legal challenge of the hospital's stand.

In contrast, both Ontario and Manitoba made abortion services more accessible. In Toronto, Caplan said that the province's health insurance plan would pay \$100.00 for each abortion. And in Winnipeg, James Marston, registrar at the Manitoba College of Physicians and Surgeons, told *Maclean's* that the college would likely grant a license to Morgentaler's clinic there. Those cross-Canada contrasts were certain to inflame both pro-choice and anti-abortion activists—and ensure that Ottawa would face increasing pressure to find a solution to a highly volatile dispute.

—MARY JAMICAN with correspondent reports

Halfway house inquiry

Late last month convicted murderer Marvin Stanton was granted a two-day pass from Northwold Institution, a medium-security prison 130 km east of Toronto. Having served 37 years of a 35-year cumulative sentence for a series of violent crimes, including manslaughter and rape, Stanton, 31, was taken to a halfway house in Toronto to begin his gradual reintegration into society. But early on the evening of Dec. 20, just 36 hours after his arrival at the Montgomery Centre

proved the parole system generally. The 13-bed Montgomery Centre is a private enterprise providing parole nurseries with beds for finding. Like other halfway houses, it offers counselling and shelter for current and former prison inmates. Thomas McKillop, controller of Operation Springboard, the organization that runs the house, said that his group, the National Parole Board and correctional officials had agreed that Stanton was not a danger to the community. Correctional officials added that Stanton was due to be released in September, 1988, anyway, because the law requires that all inmates be freed on mandatory supervision after serving two-thirds of their sentence. They argued that he would be put on parole outside prison.



Stanton (left) in police custody: violent crimes

in North Toronto, Stanton left the house. And later that day the straitened body of Toms Carter, a 35-year-old lawyer for a chain of clothing stores, was found in his apartment just eight blocks away. Within three days police found Stanton in Northern Ontario—on Feb. 4 they charged him with Carter's murder.

The incident shocked many residents of the affluent neighborhood around the centre—and revived public controversy about the safety of the 315 community halfway houses across Canada. In Ottawa, Solicitor General James Kelloway quickly ordered an investigation into the decision to place Stanton in a halfway house. Toronto lawyer Jane Peppe, named to head a four-person team making the inquiry, said that it will examine ways to im-

prove the parole system generally. Stanton has a history of committing violent crimes, starting as a young teenager. At 14, after escaping from a juvenile detention centre, he was convicted of manslaughter in the death of a girl brutally beaten with a rock in New Westminster, B.C. Since then he has been in prison almost continuously. During his only period of freedom, when he was let out on day parole for five months in 1970, he raped a woman and was sentenced to six years.

Stanton's violent history added to the controversy surrounding the Montgomery halfway house. Les Munroe, 35-year-old graphic designer who has lived in the area for 11 years, was among those who demanded changes in how residents of halfway houses are supervised. "Right now the horror is what has happened to our community," he said, "but this is a much larger issue." Even parole board officials acknowledged that the case raised serious concerns. "Everybody is shocked," said Simon Pargueau, the board's Ontario regional director. "I have a lot of friends—and if I were the Center family I would be questioning the justice system too." That questioning seemed sure to continue even after Peppe's inquiry reports later this month.

—SHERIDAN ABERNETHY



Gephardt on the campaign trail in Des Moines: The election is about regaining control of our economic destiny

WORLD

Primary protectionism



The setting recalled a time when the world was a simpler place. In the drafty repair shop of the Boone and Scenic Valley railway station, a whistle-stop 50 km northwest of Des Moines, Iowa, Democratic Representative Richard Gephardt of Missouri, campaigning for his party's presidential nomination, stood in front of an ancient yellow locomotive, which had become a museum piece. The engine served as a reminder of the era when Boone was a bustling railroad town and traveling salesmen fanned out across the Prairie by train from its 32 hotels. The passenger cars no longer stop in Boone, leaving the hotels shuttered and abandoned. And on a wazy afternoon last week a crowd of 50 farmers gathered in the rail shed to applaud Gephardt's recipe for bringing back the good old days: a series of tough retaliatory measures against nations such as South Korea and Japan, whose trade barriers keep U.S. goods out of their markets. Said Gephardt: "This election is about regaining control of our economic destiny. I want us to compete—it has to be strong again."

That protectionist railing cry—re-

peated in speeches and in a 1996/00 television advertising blitz—had catapulted Gephardt into first place in the polls over his Democratic rivals as they headed into the first major test in the 1996 presidential run this week. Iowa's precinct caucuses. Indeed, media experts assessed Gephardt's powerful commercials on trade with winning a

campaign that only a month ago appeared moribund. In one 60-second spot, Gephardt detailed nine desperate tariffs that push the price of a Chrysler K car selling for \$20,000 (U.S.) in the United States—to \$48,000 (U.S.) in South Korea. Then he issued a threat: unless the Seoul government corrected the imbalance, "they'll be left wondering how many

Americans are going to pay \$48,000 for a [South Korean-built] Hyundai."

Wall Street analysts have warned that Gephardt's message could lead to an international trade war and even a recession. But the most powerful refutation of such arguments is in a 1987 paper published by the Democratic Leadership Council—a centrist organization which Gephardt himself cofounded. That study concluded that unfair trade practices accounted for only 20 per cent of the U.S. trade deficit, which built to a record of more than \$300 billion last year. The major cause, and the study, was U.S. industry's lack of competitiveness.

Still, Gephardt has struck a responsive chord among Iowa's 30,000 ironworkers, who have seen plant closings and layoffs shrink their numbers by 45,000 over the past seven years. And he has won support from many of the state's farmers, who are slowly recovering from a devastating farm depression. Said Boone car greeter Jim Heck: "Every day the trade imbalance is growing and growing. It might help if we got a little bit tougher."

Critics accuse that Gephardt's call to arms may not sound as inviting in economically healthier states such as New Hampshire, site of the Feb. 10 presidential primary—which boasts the nation's lowest unemployment rate. There, Gov. Michael Dukakis of neighboring Massachusetts, who vigorously opposes Gephardt's protectionism, is the Democratic front-runner. But even Gephardt's critics concede that the storm campaign has torn the complex and not uncommon topic of trade into one of the campaign's hottest issues. And while Republican presidential hopefuls—Senate President George Bush and Senate Minority Leader Bob Dole—have been leading that pack—have largely remained aloof on trade issues, Gephardt has, as one Washington trade expert said, "made trade a popular issue, it's the little guy against Wall Street."

In fact, Gephardt's congressional colleagues were watching his fortunes in Iowa to gauge just how deeply protectionist sentiments had captured the public imagination. And his success or failure was likely to determine how protectionist they would make the new omnibus trade bill currently under consideration. Said one leading senator's



Sen. Strom Thurmond: the farm and labor vote

said: "It's clear there aren't going to be any meaningful trade events on Capitol Hill until they see how Gephardt's strategy works out."

That possibility is particularly worrying to legislative officials, who are clearly hoping for a swift passage through Congress for the U.S.-Canada free trade agreement. Gephardt first rode the trade issue into the public spotlight two

years ago with a controversial amendment to the omnibus trade bill. The so-called Gephardt amendment would impose retaliatory duties on countries with a record of unfair trade practices that register large surpluses with the United States. Gephardt insists that it is aimed at Japan and South Korea, not Canada. But as Michael Ales, a trade analyst with the New York-based Council on Foreign Relations, points out: "You write a law, and then the clever congressional ones along and try to apply it to whoever they don't like. That could be against Canada."

In fact, Gephardt has repeatedly hailed the Canada-U.S. free trade pact as a model agreement. "It's exactly the direction we should be moving in," he told *Meridian's* Bar in a Washington Post opinion piece last month, he betrayed either a misunderstanding of the accord or implied that Ottawa had been guilty of unfair trade practices. "When we refused Canadian demands for anti-dumping duties, we were ready to let our mutual trade agreement expire," he wrote, "Canada yielded."

A recent poll indicates that Gephardt has tapped a growing reservoir of American fear over the country's shaky economy. According to a survey by the World Public Opinion, a New York-based research group, 62 per cent of respondents think the U.S. economy has weakened in comparison with other nations. That mood may explain why Gephardt has moved from denying that his amendment is protectionist and one emblem of the label. "If standing up for American workers and insisting on paying open foreign markets in protectionist," he declared last fall, "I'm I want to be protectionist."

Gephardt's message as a self-styled protectionist, warning many has provoked an outcry from Democrats who recall how as what one party outcast dubbed a "turncoat centrist." The 57-year-old son of a milkman, Gephardt

Next stop: New Hampshire

The hand-lettered sign advertising "Greatest sandwich" is the only concession to the 1980s in Martha's Street Shoppes and Landscapes on Main Street in Nashua, N.H. But in every other way, Martha's—with its greasy grill and soda fountain—provides the traditional Americana setting so revered as a backdrop by political candidates. In fact, Massachusetts Gov. Michael Dukakis chose to unofficially kick off his campaign for the Democratic presidential nomination by posing for photographs in Martha's last March 21. And several other presidential hopefuls have taken their cam-

paigns past its doors on the city's one major downtown street.

But Main Street, with its New England red stone buildings and iron-chimneys is about all that is old-fashioned in Nashua. Once a dreary mill town, Nashua has become a high-tech center of computer and electronics firms. Indeed, the prosperous city of 35,000 in many ways symbolizes modern New Hampshire—a traditionally conservative state, which is facing the pressures of dramatic growth. Now, as the second largest city in the state, which holds the first—and symbolically significant—primary on Feb. 16,

Nashua is at the center of national attention. Said Stephen Crystal, the local coordinator for the front-running Democrats: "Nashua voters are concerned about state and federal taxes, war and peace and economic opportunities, not just regional issues."

Indeed, the 1988 presidential campaign are among Nashua's high-income, well-educated professionals. Many of them recently filed the adjacent state's record-high taxes, which high taxes. The median started in the 1970s when firms moved to New Hampshire—where no sales or state income taxes applied—and set up in Nashua's abandoned textile mills along the Merrimack and Concord Rivers. Since then, Nashua has come to rival

nearby Manchester as the state's financial center and is expected to pass it as its largest city by the year 2010. In fact, the combination of a low crime rate and a 5.7-per-cent unemployment level last year led Money magazine to rank Nashua as the best U.S. city to live in.

But troubles have accompanied growth. Housing is expensive and in short supply, and urban sprawl has strained severe traffic congestion. But he generated demands among new residents for government action, a sentiment that runs counter to the traditional anti-government, individualist values best expressed by the state's no-income-state motto: "Live free or die." Said Republican Representative Judd

Griggs: "It used to be that you own your own garbage to the dump and you don't expect government to put street lights in front of your house."

Although out-of-state transplants are slowly altering the state's political profile, New Hampshire remains largely conservative in principle and Republican as voting day. Still, James Douchette, Nashua's ambitious 20-year-old mayor, is a Democrat. He is also New England's highest-moved to Nashua in 1978. He is a former state's well-founded publicist, saying: "It can exist as an outdoor as mayor," and Douchette, "then Nashua is no longer a small town."

—BRUCE WALLACE in Nashua

his normal taxonomy to be the archetypal paper politician. And his apparently happy marriage to his wife, congressional aide Jean Byrne, with whom he has three children—all sharing his white-sauce and larders—prompted Gephhardt to joke in the matter of his Gory Belt scandal last May that his campaign was "the Dick and Jane show."

Gephhardt's anti-establishment stance has also been reflected by those in Capitol Hill who know him as a consummate opportunist and political insider. His ability to endure mind-boggling legislative marathons to bring a final congressional session to the White House "bust," indeed, a measure of Gephhardt's credibility with congressional and party leaders is the fact that 80 of his House colleagues have endorsed him—and 24 of them flew out to Iowa in late January to declare their support on the state capital steps. Renowned US Democratic rival, former governor of Arizona Bruce Babbitt: "When congressman Richard Gephhardt, the lifelong Washington insider, becomes candidate Richard Gephhardt, the scourge of the establishment, he shows a versatility of conviction that takes your breath away."

The most potent criticism of Gephhardt centers on his repeated shenanigans on policy—all denounced in a presidential radio commercial. By his chief rival for the Iowa farm and labor vote, Illinois Senator Paul Simon. Gephhardt's most famous reversal came in 1985 when—as on the eve of his decision to run for the White House—he dropped his long-standing support for a constitutional amendment against abortion.

But Simon has also taken Gephhardt to task for lambasting Reaganism while having voted for one of its entrepreneurs, the drastic 1981 tax cut. Said Gephhardt: "I'd rather change and be right than be wrong and be wrong." But, the analyst also points out that Gephhardt's ability to move with the prevailing winds could come in handy on the trade issue if he were ever voted into the White House. Said Ake: "Even if Dick were elected president, he would not be a free trader. Within five minutes of taking office, the private sector would be knocking on his door and pointing out the cost of these measures."

But back U.S. and Canadian politicians will be watching how Gephhardt's new allegiances—some critics say opportunistic—trade platform fares, especially as he moves into such northern primary states as North and South Carolina where the beleaguered U.S. textile industry will have a chance to register its opposition against the free-trade Canadian trade official. "If Gephhardt does well, then trade is going to be much more important in this election."

—MARCUS McDONALD in San Mateo



Neuffer (left), Baker, 'angry' about the trade agreement in the United States

Obstacles to free trade

LAST fall, international trade was one of Washington's hottest political issues. Pled with a significant international trade deficit of about \$19 billion a month, senators and congressmen were rushing to reconcile differences between protectionist trade bills passed by their two houses. But their deliberations came to a sudden halt after so-called Black Monday, Oct. 29, when prices on the New York Stock Exchange plunged a record 508 points. Recalling that protectionism was blamed for the Depression that followed the crash of 1929, they resumed, and the issue of trade largely vanished from the Washington agenda. This week it returns with an appearance before a congressional subcommittee by Treasury Secretary James Baker and Trade Representative Clayton Kretzner as the narrowest but still major barrier of U.S. trade with Canada.

As strong supporters of a free trade deal with Canada, Baker and Neuffer will help to launch the congressional endorsement process of the agreement signed by Prime Minister Brian Mulroney and President Ronald Reagan last Jan. 8. But a volatile combination of factors—including the fate of the still-pending textiles trade bills, a vocal anti-free-trade lobby and the state's U.S. elections—campaign—has made congressional attitudes toward the deal unpredictable. But Stanley Nohmer, a Washington lobbyist for the U.S. metals industry: "There is a lot of anguish about the agreement here. A lot of people don't favor it."

The outcome of this week's House votes was likely to be important in shaping congressional trade attitudes. Missouri Representative Richard Gephhardt has made his hard-line views on trade the centerpiece of his campaign for the Democratic presidential nomination. Recent studies by Gephhardt may also have the deal. The Canadian government has promised to introduce a plan by June 30 to refund duties collected on all fabrics imported by the Canadian clothing industry. And lobbyists for the American textile industry are complaining to congressmen that the move is effecting elimination of the advantages gained for the Americans in the free trade negotiations.

Several Washington trade experts say that the textile dispute remains plus could create a powerful anti-Canada coalition in Congress. Opponents to the deal with Canada is already expected from representatives of resource-rich western states and export-producing regions. As angry U.S. textile industry could add southern and eastern legislators to the opposition camp.

This week's hearings are only the start of a slow process. In fact, many observers say that serious consideration of the agreement with Canada will have to wait for the resolution of the American trade bill—in spring, at the earliest. Until then, Congress is likely to provide many unsettling maneuvers for supporters of a free trade

—IAN ARDEN in Washington

Cutting off America's rebel army

FROM the public gallery of the U.S. House of Representatives, Nicaraguan exile leader Adolfo Cordero looked on grimly as the first vote was tallied on an electronic display. Late on the night of Feb. 3 the Democrat-controlled House rejected President Ronald Reagan's final request for new aid to the anti-Sandinista rebels by a vote of 219 to 221. With the notable exception of Cordero, most of the observers in the packed gallery joined in with the Democrats on the floor before in a routing victory their

will now make it extremely difficult for Reagan to rapidly supply the rebels. Following last year's revolution of secret White House efforts to fund the militia in spite of a legislative ban, a new covert aid plan would be politically dangerous. Indeed, allegations about another secret campaign came to light last week that further embarrassed the administration. Former Panamanian diplomat José Blazquez charged that Panama's leader, Gen. Manuel Antonio Noriega, was involved in an alleged U.S. plan in 1985 to blame Nicaragua

agony verified that Nicaragua was conspiring with a power play signed by five Central American leaders last August.

But the White House efforts were often by two main factors. Numerous polls have consistently revealed that the U.S. public does not share Reagan's support for the contra. As well, Congress had made a number of significant exceptions to political appointments since the signing of the peace accord. Said Republican Representative Mickey Edwards of Oklahoma, a contra supporter, of the vote: "It's expensive to help the contra, and nobody likes war. People want to trust the Sandinistas one more time."

Contra leaders attempted to get a leave free on the vote. Said spokesman Donno Matamoros: "We will continue our struggle until there is a democracy in Nicaragua." But experts estimate that the contra may lose as little as two months as well as so long as one year without further U.S. aid.

Still, some funds will likely continue to flow. House Democrats plan to unveil their own wealth and plan later this month. And U.S. right-wing groups, who raised a small portion of the at least \$575 million that the Reagan administration has sent to the contra since 1983, have started new fund-raising drives. As well, while the contra's training and administration's shipments of weapons from third countries, the Senate did not. Said Larry Ray, director of the Washington-based Council on Hemispheric Affairs: "The Reagan administration will not let this program die."

Whatever the fate of the contra, the aid vote was a major setback in Reagan's final year in office. A recent study by Congressional Quarterly—a Washington political magazine—showed that the President's lengthy string of legislative defeats is unmatched in the past 25 years. But the latest defeat, just three days before Reagan's 73rd birthday, was perhaps the bitterest for the outgoing President.

—IAN ARDEN in Washington with PAUL GEPHARDT in Managua



Sandinista soldiers with downed contra supply plane. The six-year civil war is far from over

But the celebration may have been premature. By the next morning a defiant Reagan was already moving to find new sources of funding for what he calls the "freedom fighters." And Nicaraguan President Daniel Ortega Savaderra warned that the six-year-old civil war, which has cost about 40,000 lives, was far from over. Declared Ortega: "It would not be the first time the Congress voted against funds for the contra. We know that with the vote alone the war doesn't disappear."

For Reagan, there was some solace the next night when the Senate voted 51 to 48 in favor of his \$47-million request for mostly humanitarian aid. But that vote was little more than symbolic because, constitutionally, his plan needed the support of both houses of Congress. The House decision, say analysts,

for a weapons shipment to leftist Sandinista rebels. The following day, after weeks of investigation, a federal grand jury in Miami indicted Noriega on drug-trafficking charges. The congressional defeat came in spite of a massive lobbying effort by the Reagan administration. Because the issue had polarized most politicians, the White House focused on a handful of congressmen with no real views on the contra. Reagan invited at least 30 House members to the Oval Office for personal chats. And the night before the vote—an impassioned speech broadcast only by the Cable News Network after the three main television networks refused to carry it—Reagan offered to withhold the \$47-million portion of the aid request earmarked for weapons and ammunition if Con-



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NORTHERN IRELAND

A matter of justice

Irish Justice Minister Gerry Collins was clearly in an angry mood last week when his helicopter touched down at Stormont Castle, on the outskirts of Belfast. After arriving for an emergency meeting with Tony King, Britain's secretary of state for Northern Ireland, Collins expressed his government's outrage over what it viewed as two miscarriages of justice. They involved Britain's recent refusal to prosecute policemen implicated in an alleged shoot-to-kill policy against suspected republican guerrillas and the British High Court's rejection of an appeal by six Irish men serving life sentences for murder in England. After five hours of heated discussion Collins flew back to Dublin, leaving King to tell waiting reporters, "The Irish government put their views very forcefully." Added the British minister, "These are very, very grave issues, which obviously pose real difficulties for us."

Relations between Britain and Ireland appeared to be at their worst in years. Just 36 months after the signing of the Anglo-Irish Agreement—designed in one year of sectarian violence in Northern Ireland by giving Dublin a consultative role in the British province's affairs—the hopes of Irish moderates have given way to deep distrust. Under the seemed cooperation between Ulster and Irish security forces has resulted in the recent discovery of guns, ammunition and explosives belonging to the outlawed Irish Republican Army. But following two recent British rulings, Irish Prime Minister Charles Haughey charged that Britain had shattered the Ulster Catholic minority's already fragile confidence in the overwhelmingly Protestant Royal Ulster Constabulary—and in British justice. Some analysts even said that the accord itself had been placed in jeopardy.

The trouble began on Jan. 25 in the British House of Commons. There, Attorney General Sir Patrick Mayhew announced that he would not prosecute officers of the RUC for the 1982 killings of six unarmed Catholics—five of whom had connections with the IRA. Although Mayhew acknowledged that an official investigation into the deaths had found evidence of attempts by the RUC to pervert the course of justice, he co-

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forced to bring charges for "national security reasons" and refused to release the report.

The principal author of the report, former chief constable of Manchester John Stalker, was fired from the case after alleging the incoherence of his investigation. But in a book serialized in London's Daily Express last week, Stalker detailed irregular police practices and wrote that he had recommended conspiracy charges against 11 six members—including four senior officers—for their role in what he called a shoot-to-kill campaign against the suspects.

On Jan. 18 relations between Ireland and Britain were further strained when—despite new evidence of forced confessions—the British High Court rejected an appeal by six Britishmen serving life terms for the 1974 bombings of two Birmingham pubs. The attacks—which killed 21 people and injured 156 others—triggered off anti-Irish riots in Birmingham and led to the passing of the Prevention of Terrorism Act, giving British security forces wide powers of detention. The six convicts, who say that police had beaten them to confess, now plan to appeal to the House of Lords.

The two judgments brought a storm of protest from British opposition politicians, as well as the Irish government. After Mayhew's announcement, left-wing Labour MP Ken Livingston was ejected from the Commons for calling the attorney general "an asswipe to murder." And in Dublin, Justice Minister Collins declared that Mayhew was "not fit to hold that office." With tempers already running high, the High Court decision left the impression with some observers that British law was more forgiving to police officers than to Irish suspects.

The controversy seemed likely to deepen this week when the British cabinet discussed the issues raised by Collins at Stormont Castle—and when Mayhew meets with Prime Minister Margaret Thatcher at a European Community meeting in Brussels. Still, Ireland is considered unlikely to scrap the Anglo-Irish accord. "The main disadvantage would be the IRA," said a foreign ministry spokesman in Dublin. He added, "Since the agreement there have been improvements in the lives of the nationalist minority in jobs, housing and better policing. We now have an input and a sustained method of communication. We don't want to lose what has been gained."

—ANDREW KILGALI with MICHAEL KEANE
in Dublin

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Canada



Canadian cross-country skiers train in Canmore, the Calgary Games' main hub. (Below) Tens of thousands of visitors

CALGARY WELCOMES THE WORLD



It was December, 1979. Some 912 club members, drinking powdered Kool-aid, had just completed their annual ski-in-June event. Local experts were predicting that Pierre Trudeau could not win the next election. The Calgary Canucks were king of the mountains, taking first and second in a downhill race in Austria. Jose Pineda, a pre-convicted robber, had to be talked into doing a bit of cocaine in a motel. And in oil-booming Alberta, high-rolling businessmen—despite their earlier failures—decided to make another run at their impossible dream, to bring the Winter Olympics to Calgary.

Somebody had, surprise offering of glaucous-event tickets had sold out, scooped up by some of the 5,000 intrepid souls who camped out overnight in -21°C cold and could not find a chalet when they needed one. The last of the evening, red-suited technicians are closing in on Calgary. On Saturday the 18th, during the gala opening ceremonies at spruce-up McMahon Stadium, one of them will sprint onto the Astro-turf surface—whose perimeter is covered with white sand to simulate snow—to light the Olympic cauldron.



Soon the frozen games on the official Olympic cauld—the leading guide, the soaring ski jumper, the surging speed skater—will spring to life. The marionettes. And after an evening of intense organizing and microscopic media coverage, the impossible dream—believe it or not—will become reality.

Basic: This is the week the countdown ends and the Games begin. For days athletes and officials have been checking in at the Olympic Village on the University of Calgary campus. Some 2,500 are expected from a record 58 countries, and they include 172 Canadians, the country's largest-ever Winter Games team. Some of the 160,000 visiting spectators have also arrived. And the media throng, estimated at 5,000, has been pouring in as well, ready to tell the Olympic story to readers around the globe and beam it back to an estimated three billion television viewers. Thanks largely to TV revenues, officials of the Games' organizing committee, known as COG, re-

port the 81-Nation Games are on target to produce a \$16-million surplus, not counting the cost of the facilities. And when International Olympic Committee president Juan Antonio Samaranch came to town last week, he offered a ringing endorsement: "These will be the best Games in all our Olympic history." Samaranch gushed: "Never has a city, a province and a country done so much for the Olympic Games."

Boots: Certainly spectators have built first-rate athletic facilities—a whopping \$350-million worth—and last week final grooming was well under way. At Mount Allan, the alpine skiing venue prone to warm chinook winds, the often-sloppy slopes were covered with more than one metre of costly man-made snow. A new product called *artificial*—frozen-dried pellets of bacteria that efficiently turn water into snow—helped to create the artificial base, while the co-operative could lift it from 800 metres to the snow-making. In fact, that makes tracked and after land from noncompetition slopes at Mount Allan in Can-

more Nordic Centre, 60 km away. There, once awarded to low-tech means to lay the snow on the cross-country and bobsled trails they used tractors pulling massive spreaders.

In the view of many trade-world-beat hockey buyers, the Games' organizers have spread a little rainwater of their own. Games officials have long insisted that they cleaned up the market act after a 1986 scandal that resulted in the firing of COG ticket manager James McGivern, a case now comes to trial in June. But the ticketing controversy re-kindled last week. Koch chose events as opening ceremonies, medal-round hockey and figure skating had been listed as sell-out for months, any tickets that became available, officials promised, would go to people on the waiting list. But when rumored tickets and expanded viewing areas recently made 30,000 tickets available, organizers insisted that they did not have enough time to fill the arena—and seemingly scrapped the list. In-

stead, they offered the tickets as a limited-time sale. The buyers, the Calgary Stampede grounds on Feb. 1. That method ensured that the remaining seats would go only to Calgarians—and only to those willing to freeze their seats off standing in the overnight line.

Meanwhile, with prize tickets at a premium, Calgary police have been trying to crack down on scalpers. They charged a local doctor for advertising tickets and demanding more than five times the face value. Another sort of highway robbery has plagued COG's \$5.5-million pageantry campaign, which has draged the city with thousands of green, yellow, orange and blue Olympic banners. By last week, some \$10,000 worth of banners had been stolen. Four Calgary youths have been charged by police. Appealing for co-operation, COG spokesman Terry Bullock announced that the banners will go on sale after the Games "for anyone who wants a souvenir." He did not mention the price.

Place: For the moment, the most popular legal souvenirs are Olympic pins. The University of Calgary will even hold a one-day seminar this week on pin trading, while vending machines include the main prize: a car at Stampede Park and a Coca-Cola-sponsored downtown test called International

more public attention was focused on the athletes. The Soviets' figure skaters, trying to escape what team captain Alexander Gorshkov called the "psychological situation" of Calgary's spectators and media, have stayed for two weeks in tiny Okotoks, 28 km north of the city. They quickly became local celebrities: twice daily, enthusiastic crowds of more than 1,000 watched them practice at the local recreation centre. Last week, the Soviets tempered their sporting phobias by asking arena officials to tell the crowds not to applaud quite so insistently.

Muscle: Some members of the Canadian team are also trying to avoid detection. Figure skater Elizabeth Manley, for instance, is planning to return home in October after the opening ceremonies. She will not compete until the second week of the Games and is anxious to get sufficient sleep and practice—and avoid the temptation to eat heartily at the Olympic Village cafeteria, which is reported to be skater's figure. Manley is only one of Canada's medal hopefuls. While the team learned its standards to allow more participants in the home-country competition, it will still be led by such top-ranked competitors as world figure skater champion Brian Orser, the 1984 Games gold-medal bobsled speed skater Guenther Berghofer and downhill skiers Laurie Graham and Bob Boyd. Skier Felix Heinrich achieved contender status last month by winning a World Cup super giant slalom race in Switzerland, while the Canadian hockey team has recently added three National Hockey League players in its quest for Olympic gold. The international buildup is all but over. The athletes are completing their final tune-ups, and 255 manager-thousands from around North America are working free of charge—are waiting to know the



Soviet pair Elena Valova, Oleg Vassiliev and official at Okotoks, crowd

Plaza. Pin traders were not the only ones having fun. When a Calgary dining lounge called Basso's was announced on Feb. 1, the Miss Nude Olympic contest, COG officials—still vigilantly guarding official Olympic words and symbols—promptly protested. Chastened, the contest relocated—and advertised a "Miss Nude O-word" Event.

As the Games approached, more and

Olympian muscles. The gold, silver and bronze medals—picturing an Indian and a Greek youth on one side and the athletes of Calgary and Okotoks on the other—are located up in the Royal Bank, waiting to be won. Now come the fun and Games, the frenzy and glory. Just as Calgary dreamed it.

—BOB LAVIN with JOHN DEWEE in Calgary

HOW A COW TOWN GREW UP



In the early 1960s, when their city's oil boom was a boom, Calgary's jacking up the "sky crane" as their official bird.

The oil boom moved from doors of the city during the sky crane era that ended when oil prices nose-dived in 1983. Then the sky cranes disappeared, leaving behind the rusted steel skeletons of half-finished buildings. But now a new Calgary is emerging. And the 1995 Olympic Winter Games opening this week symbolizes the city's turnaround. Says Douglas Gillson, a professor of architecture at the University of Calgary: "I think we have turned the corner. We are seeing a sense of community starting to grow."

But in the early 1980s it was the abandoned building that was the symbol of a new and troubled era in the city's history. Thousands of people were laid off, the city's population dropped for the first time in years, and hundreds of people walked away from homes they could no longer afford. Although it is recovering from those bleak days, the effects of recession continue to haunt the city: new restaurants open and close with the speed of revolving doors, and taxi drivers still remember about the money they once commanded as highly paid taxidrivers. Even with the enormous exodus of people from the city to other parts of Canada, Calgary's unemployment rate is still 30 per cent.

Complete: But the city's population of 640,450 has stabilized. As well, a sense of neighborhood is growing in the largest suburbs that sprang up from the prairie almost overnight in the late 1970s, and many of the expensive, large-scale projects that were started during the boom are now complete.

The economic storms that have buffeted the city's corporate towers since 1981 have also changed the energy sector, the city's lifeblood. Fewer of the small but robust independent oil explorers are around now, and the firms that remain are usually larger and more conservative. More often than not, says former DuPont Petroleum Ltd. president William Richards, the survivors are now governed by cautious managers, rather than the go-for-broke wildcatters who once dominated the industry. Says Robert Lundmark, president of Clear Resources Ltd., an aggressive natural gas

explorer: "These exciting days when you could head out and pick up a million dollars off the sidewalk are gone." But even though the city is quieter now, Lundmark says, it still has a gambler's edge to it, sharpened by the belief that a small investment can still bring in a million-dollar oil gusher.

Calgarians like to say that their anticipation of future riches is why writers and poets long ago began calling the Prairies "next-year country." That spirit of adventure lives each July in the Calgary Exhibition and Stampede, with

on the ranches owned by the British and many stayed on. With their came the roping and riding skills of the open range and a boisterous spirit that the Stampede rekindles annually.

Cowboys: A second American invasion hit the area in the late 1890s when oil was discovered in the Turner Valley, just north of the city, and Calgary's economy boomed for a brief time. The third wave of Americans flooded in Calgary after Imperial Oil Ltd. (Canada) discovered oil near Leduc, just north of Edmonton, on Feb. 22, 1947, thereby launching the mod-



Outdoor sausage and pancake breakfast (above); steel building: sky crane

ern Alberta petroleum industry. But at the time, instead of cowboys and roughnecks, American geologists, engineers and businessmen came north, according to local historian Jack Peach, the photo-book editor now gone the city a more cosmopolitan flavor.

Centres: Since then, successive waves of American immigration have left Calgary with an entrepreneurial spirit that, at the height of the oil boom in 1980, placed the city at the centre of a national political storm. The major players in the oil industry wanted Ottawa to stay out of the industry, but Pierre Trudeau's Liberal government responded with the dramatically interventionist National Energy Program. Although re-

century alliance of rough-and-ready American cowboys and British prairie. And the local native population, the Sarcee Indians, were more intrigued than offended by the new settlers. The British settlers brought old-country traditions—such as cricket and polo clubs—with them and even held mounted hunts with English-level bounds. American cowboys came north to work

on the ranches owned by the British and many stayed on. With their came the roping and riding skills of the open range and a boisterous spirit that the Stampede rekindles annually.

But to find the real sense of his community, Calgary resident W. G. Mitchell

searches looking beyond the oil towers and what he calls the city's "left-the-shelf" frontier legacy. If they do, Olympic visitors will find a number of facts that do not readily square with tall white Skyrise and banking towers. According to the Calgary Economic Development Authority, Calgary hosts the highest concentration of engineers in a province, engineering and mathematics—44 per 1,000 population compared with a national average of 35 per 1,000. The University of Calgary houses one of only two large and sophisticated supercomputers available to the private sector in Canada, and the city often behind only Toronto and Montreal in the number of corporate head offices.

Modern Calgary is extremely mixed, with an Asian population of some 30,000 people. A thriving Chinatown, built by the descendants of laborers who worked on the Canadian Pacific Railway and with a population of about 2,500, is still welcoming the latest generation of Asian immigrants. And there are just as many elderly turban in the urban crush as there are students. Says Wang, an executive director with the Calgary Chinatown Development Foundation: "The cowboy image does not mean much to us. Our children go to schools in the suburbs and hope to get good jobs in the private sector."

Core: Calgary's plan-drawn city core also explains the myth of frontier outpost. Most of it was built since 1971, and borrows heavily from the leading international building designs of the time. The city core tends to reflect images of itself from the thousands of narrow panels that line it. And when the setting sun hits it from the right angle, "the core takes on a magical quality," says the University of Calgary's Gillson.

In part to combat the sky blazes, an eight-kilometre network of elevated glass-enclosed bridges, known as Plan-15—spanned 15 feet above the city's sidewalks—link Calgary's tallest buildings. And in contrast to the pedestrian tunnels running beneath most Canadian cities, the Plan-15 gives office workers a view of the wide prairie sky and mountains to the west.

Calgary also receded prime river-valley land from developers in the overbuilt land boom. Today, a series of winding paths follows the Bow and Elbow rivers, from Fish Creek in the south and Bowmont Park in the west to the city core. The Bow River, which tumbles dramatically down from its glacial headwaters above Banff, is a major source of recreation. On narrow weekends hundreds of city residents raft down the Bow into the centre of the city.

Calgary is also home base for a flam-



boast collection of oil millionaires. A select few, declaring their intention to return some of their wealth to the city that made them so rich, have realized their community onto the North American and world stages through the sheer weight of their wealth. In 1980 a group of wealthy Californians headed by the Rosses brothers, founders of Bare Valley Industries Ltd., a multinational oil exploration and development firm, purchased the Atlanta Flames of the National Hockey League. The Flames set up shop in the venerable Calgary Corral, a cramped shrine to Calgary hockey heroes of bygone eras, before moving across the parking lot to the Olympic Saddledome, which seats 21,000 spectators.

Cow. The Flames, perhaps more than even the 1988 Winter Olympics, have helped busy Californians through the mission. In the spring of 1988, in the midst of crushing oil prices and painful layoffs, the Flames spent the Stanley Cup champion Edmonton Oilers in the early rounds of the six-playoff. On their return to Calgary, thousands of fans, most sporting Flames sweaters and hats, turned the city's airport into a sea of flaming red.

Spruce Meadows, located just north of the city, is another multimillionaire's gift to the city. In 1984 Margaret Seasholtz, the wife of Ronald Seasholtz, deputy chairman of prefabricator maker ARCO Corp., opened a small equestrian facility for Calgary-area

horse lovers to show and train their horses. Now, international equestrian officials rate the annual Spruce Meadows Masters, which attracts 100,000 fans and the world's best riders each



Winter jostling as Olympic banner: a gambler's edge

year, the top equestrian event in North America.

For the not-nearly-Californians, who lived through nearly 30 years of ceaseless growth, the yearning for a return to the money-drenched boom days is almost tangible. Every increase

in oil prices sparks a round of rumormongering about the good times to come. Premier Don Cousens' Richards says that there is no doubt that the days of rapidly rising oil prices will return. But in the short term, he said, crude prices will remain stalled between \$10 and \$10 a barrel. But once surplus oil supplies around the world are reduced, he predicts that prices will jump again.

Crutch. Recent dramatic corporate moves in Calgary tend to support Richards' bullish view. In December, 1988, Hong Kong billionaire Li Ka-Shing purchased about 50 per cent of Husky Oil Ltd. And last week Amoco Canada Petroleum Co. Ltd. moved closer to completing its purchase of Denex Petroleum. Both Husky and Denex control huge oil and gas reserves in the province.

But many Californians believe that the 1988 Winter Olympics may change the city more than even another energy boom would. Reid Ari-Savitz, Calgary businessman and former co-chairman of the city's economic development authority. "People will come to know us as a sophisticated, sophisticated city and give us a new heritage to build on," he said, with sky cranes are poised over three sites—a twin-office-tower banking center, Amoco's new lower and Calgary Energy Ltd.'s new headquarters—the city's future appears to be under construction.

—TOM FENNELL in Calgary

Swiss National Olympic Committee. Le Chaux-de-Ville is proud but unable for a special occasion. Le Chaux-de-Ville, renowned for its Alberta prize beef, is worth the visit. And Le Chaux-de-Ville is an impressive hotel restaurant with many local patios.

Drinking: Calgary's waterholes are diverse and numerous, ranging from piano bars to strip joints. Cold draft is on tap at the twinkling edifice housing rooms at the St. James Hotel, just behind the Calgary city hall, the century King Edward Hotel has one of the finest bars in the West. The Calgary Entertainment Center boasts a basement bar hall, a main-floor strip joint and the third-floor Bob's English Pub, country and western music lovers gather at Redwood's. And Riverside Wine Bar offers a wine list to satisfy the most discerning of visitors.

THE OTHER GAMES IN TOWN

During the 10 days of Olympic events there will be hundreds of non-sporting attractions. Calgary Barren Chief John Hesse, a 30-year resident of the city, offers a personal assemblage.

Entertainment: The Olympic Arts Festival stages a variety of nightly entertainment, from dance and ballet at the Jubilee Auditorium to spectacular concerts at Jack Singer Hall. Rare Indian and Inuit pieces are on display in The Spirit Stage collection at the Glenbow Museum. And the Olympic Saddledome houses an intriguing photographic exhibition of hockey game's action.

Diversions: Olympic medal ceremonies take place nightly at the dew-

town Olympic Plaza. nearby, the Calgary International Plaza is the place to trade Olympic pins. giant pandas Qin Qin (Pinky) and Li Li (Hoppy) are at the Calgary Zoo. **Dining:** With over 1,200 restaurants, the offerings are plentiful. Le Rendez-vous features French/continental fare with a Swiss influence in a casual ambience. The Weston Hotel's Owl's Nest will play host to noodgeists. Rites provides fun food at lunch and Cantarino cuisine at night. Le Gourmet is a 10-minute drive from downtown, but one of the city's best French restaurants. At the Restaurant of Switzerland, Charles Luthi, longtime Châlet Fleuri restaurateur, will play host to the



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CALGARY'S TOP HAND



the evening Calgary majority election. Emphasizing their own judgment,

Calgary newsmen Ralph Klein was not joking in 1990 when he gave his own TV newsmen colleagues the scoop that he intended to contest

by presenting the attractions of his home town. "But the highlight is the Olympics," Klein told *Newsmen's* in a recent interview in his cluttered office as the city hall's main floor. Said Klein, "The Games top everything."

Premiere: And for the mayor, the Olympics represent the ultimate opportunity to promote the city to a captive audience of tourists, television

and simply state "February 29," a constant reminder that life will go on the day after the \$1-billion Olympics end. Said the mayor: "We have to keep the enthusiasm going. We don't want to worry about the Games. We're ready. After they're over, there is going to be a psychological letdown. People will say, 'Let's do it again next year.' But realistically, things like Olympic Games only come once in 40 or 50 years."

Prelude: Klein, a veteran of 17 years in public relations and television and radio reporting prior to his surprise election victory, is taking full advantage of the unique opportunity offered by the Olympics. He proudly lists the week's media interviews that ranged from *The New York Times* to *The Toronto Star*. "Can you believe the guy from *Forbes* magazine never had a career before?" asks Klein, shaking his head. The bloody cheer, reportedly first measured in Calgary, is a drink comprising vodka, and clam and tomato juice. Added Klein: "I'm never asked who is going to win the ladies' jump suit at the Olympics. Reporters want to know about this city. They are astonished that such a large and dynamic place exists west of Toronto. They are becoming curious. This is our chance to tell the world we are a major player in North America."

Working-class hero: Klein grew up in the city's working-class Teasdale Park neighborhood with his grandparents after his parents divorced. After graduating from high school, Klein earned a 1962 and studied administration and accounting at a local commercial college. Three years later, at age 28, he became public-relations director of the Alberta division of the Red Cross, and took a journalism course sponsored by *The Calgary Herald*. That same year,

his three-year marriage ended in divorce. Klein and his second wife, Glen, whom he married in 1972, have five children ranging in age from 14 to 26—two by his first marriage, two from Klein's first marriage, and one from their own.

In 1986 Klein went to work as director of public relations for the Calgary United Way Fund. In 1988 or so, the city's highest-rated news station, hired him as a newsmaster for its radio division. He later moved on to TV reporting until running for office.

As a TV reporter, and now as the mayor, Klein likes to relax at the St. Louis Hotel basement beer parlor near city hall. Then, as now, he was joined at the St. Louis by reporters and camera. That gives rise to criticism that he gives too much attention to his "Kitchen Cabinet." Explains the mayor: "They are basically friends, good friends. We swap around jokes and ideas. Calgary is an extremely open city. That is in part due to me. If I am one thing, I am open and accessible. If that's the mayor's style, then that will be how the city is."

Personality: But even friends of the face-loving Klein were surprised by his election in October 1989, after a heated and often-personal campaign against incumbent—and establishment favorite—Rams Alger. In the years since, Klein's folksy style of leadership has helped Calgaryians weather the economic turbulence induced during the 1990 election campaign a rival mayoralty candidate denounced Klein and alienated enjoying alcoholic beverages during a council meeting dinner break. After the incident made the local news, Klein donned a T-shirt bearing the inscription "Thank God I'm human." And a supporter held an advertising attempt to hand a message across Calgary when pronouncing "Ralph we love you just the way you are."

Klein's shaggy style and attitude reflect the outlook of the city. But the mayor was anything but laid-back in the early 1980s over what he thought was a growing misconception about Calgary. Aggravated by media reports that Calgary was on the ropes, in 1986 he convinced a number of his friends in

the oil industry to hold a fund-raiser at the Calgary Golf and Country Club. The event raised \$75,000 and, with a mailing sent from the city, Klein launched a citywide media campaign to tell Canadians that there was more to Calgary than backshops, honks, cancelled oil-wells plants and negative population growth. Says Klein: "We were getting the daylight kicked out of us as night as *The Journal* and daily in *The Toronto Star*." One reason may have been Klein's statement in 1983 that blamed the rising crime rate in the city on "craze and haze" who migrated from Eastern Canada during the oil boom.

series. We have \$50 million in cash and a healthy land bank of industrial property."

And according to the mayor, the end to the period of exasperation helped strengthen Calgary's sense of community. "During good times we had trouble holding our United Fund gala," says Klein. "When times got tougher, people understood more what it felt like to need. The community started looking after its own people."

Party: Klein, who recently turned down an offer to run for the leadership of the Liberal party of Alberta, is looking after himself of late. Through a daily exercise program, he has



Klein is sipping \$2 per bowl of the soup in Alberta's largest city.



Klein and wife, Denise, smiling. T-shirt reflects a jovial and folksy style.

viewers and media representatives from around the world. "Certainly, these Games will be a sporting season, but I want them to be a good focus for the entire city. Most people already know about our chess, reggae, and, really, very little else," said Klein. "We are more than a cow town. The Olympics are our chance to show we are an energy and financial capital as well." Klein's office is festooned with stick-

figures of 20 lb., which has reduced the stocky politician's weight to 130 lb. The lesser look is appropriate for the spotlight that will focus on Calgary this week. Says Klein: "Look, the Olympics should be our greatest party ever. If they are not, we have missed the point." If the point is missed, it will not be Klein's fault. "My style enables me to walk from the St. Louis to the Rensselaire Club," he said, "and feel comfortable doing it." Starting on Feb. 13, in his unique way, Klein will play hard to the world and behave cheerfully with European royalty—all the while keeping an eye out and a handclasp ready for voting Calgaryians.

—JOEY MORSE in Calgary

OLYMPIC GUIDE



There will be no shortage of Olympic broadcast coverage. ABC TV will be on the air from noon to midnight on weekdays and from 9 p.m. to midnight EST during weekends. CBC radio will provide coverage for almost three hours a day. CBC TV will offer a prime-time evening highlights package. The Sports Network on pay TV will be on the air with reruns from 8 a.m. to noon EST and with a lively package of evening highlights. CTV, the official host broadcaster, will cover every event, offering 24-hour news in the 48 days of the Olympic Games. Below is the tentative broadcast schedule provided by CTV, listing when the network will be on the air with live or taped coverage and, to the right of each event, what time it actually starts in both local standard time and eastern area.

■ DAY 1 - FEB. 13

6:00 a.m. EST/5:00 a.m. PST

OPENING CEREMONIES 9 p.m. EST/7:30 p.m. PST

6:00 a.m. EST/5:00 a.m. PST

HOKEY: Czechoslovakia vs. Germany

2:30 p.m. EST/1:30 p.m. PST

Figure Skating: 4:30 p.m. EST/3:30 p.m. PST

Alpine: 6:00 p.m. EST/5:00 p.m. PST

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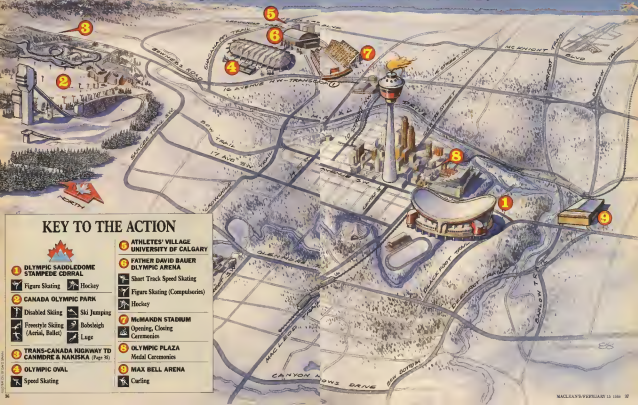
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CALGARY: CITY OF FUN AND GAMES



KEY TO THE ACTION



1 OLYMPIC SADDLEDOME STAMPEDE CORRAL

Figure Skating Hockey

2 CANADA OLYMPIC PARK

Disabled Skiing Ski Jumping
 Freestyle Skiing (Aerial, Ballet) Bobsleigh
 Luge

3 TRANS-CANADA HIGHWAY TO CANMORE & NAKISKA (Page 30)

4 OLYMPIC OVAL
 Speed Skating

5 ATHLETES' VILLAGE UNIVERSITY OF CALGARY

6 FATHER DAVID BAUER OLYMPIC ARENA

Short Track Speed Skating
 Figure Skating (Compulsories)
 Hockey

7 McMAHON STADIUM

Opening, Closing Ceremonies

8 OLYMPIC PLAZA
 Medal Ceremonies

9 MAX BELL ARENA
 Curling

REVENGE OF NAKISKA



1. Women's Downhill
 2. Men's Super Giant Slalom
 3. Women's Combined Downhill
 4. Women's Super Giant Slalom
 5. Men's Downhill
 6. Men's Combined Downhill
 7. Women's Giant Slalom
 8. Women's Slalom
 9. Men's Giant Slalom
 10. Men's Slalom
 11. Women's Combined Slalom
 12. Men's Combined Slalom
 13. Freestyle Moguls
- START OF EVENT
■ LIFT RAMP



HIGHWAY TO GOLD

(Nakiska & Cross-Country Skiing at Canmore)



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30%	20%	20%	20%
60%	40%	20%	20%

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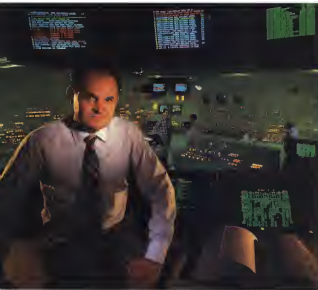
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The Human Energy Behind Nuclear Energy

Ian Dewar, a graduate engineer and 17 year veteran of Ontario Hydro's Nuclear Division, is responsible for the Simulator Program at the Eastern Nuclear Training Centre. He is seen here in the Instructor Observation Area overlooking an exact replica of CANDU's control room.

MAKING THE GRADE

At first glance, it looks like any other Canadian college. Lecture theatres, workshops, classrooms, labs. But take a closer look and you'll find these students focussing their energies on just one subject.

This is the Eastern Nuclear Training Centre, a \$8-million dollar facility located at Ontario Hydro's Pickering Nuclear Generating Station. It is one of two such facilities in Ontario that supply the training that is a mandatory requirement for all nuclear reactor employees.

"We call it 'defense in depth'" says Ian Dewar, the Centre's Training Superintendent. "The underlying philosophy of the CANDU System is that no task relies on one person or one component. Everything must go through a series of approvals and double checks."

"And everyone who works in a nuclear station must commit themselves to an extensive training program. As you move up you're subjected to more and more rigorous practical and theoretical examination as well as personal evaluations. It's grueling."

It takes an absolute minimum of eight years to become a fully authorized first operator. It's a four-stage process, an ongoing education that begins with books on the basics and graduates into high-tech simulators.

"The people who enter this program have made a career choice. Before they touch anything, they spend at least two years in a classroom and on the job studying chemistry, heat and thermal dynamics, electrical, nuclear theory and station systems."

"It then takes at least three years experience as a field operator before we even consider some-

one for the first operator program. And not everyone can become one. Candidates must be approved by an independent authority, the Atomic Energy Control Board, which also administers the final exams."

Simulators are an integral part of the first operator program. These model control rooms are interfaced with computers which can replicate both normal and abnormal reactor operation.

"The simulator gives us an opportunity to test not only what an operator knows, but to see whether he or she can do the job. And school's never out for very long. Fully qualified first operators are required to take refresher courses both in the classroom and the simulator on a regular basis. When they move to another station, they must requalify for their position."

Operators are not alone. Every work group must go through similar programs at the training centre before working on a reactor. Canada's nuclear industry has an impressive safety record, recognized world-wide, that can largely be credited to the high qualifications of the operating staff.

"It goes beyond all the requisite technical know-how and intensive field training. Our operators perform their duties under a self-imposed code of ethics that stresses constant improvement and paramount concern for safety. It's not just their breed and butter. It's their personal health and well-being."

For more information contact:
The Canadian Nuclear Association
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Also comforting to anyone concerned with safety are standard features like anti-lock braking. So you see, no matter which Volvo you choose, you'll get more than just an elegant, well appointed car. You'll get all the quality, reliability, and safety know-how Volvo is famous for. **Hence, the reason for us.**

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PEOPLE

Of course she is shy, but seven-year-old French actress **Emmanuelle Béart**, 25, is becoming an international star. Last year she was the French equivalent of an Oscar for her role in *Moulin du Roux*, which opened in English Canada last week, and starred in her first Hollywood movie, *A Distant Heart* as Angel Béart was discovered on a Montreal street by an assistant to American director **Robert Altman**. She had arrived in the city at 15 to work as a model's helper. Of her three-year Canadian sojourn she said: "I was totally seduced by the mentality of the young who are full of energy. In France, girls grow old very quickly—at 15, they are already women."

First Lady **Nancy Reagan** is the real power in the White House, according to a new book by former White House deputy chief of staff **Michael Beschta**, out today. Last December on three counts of perjury. For his revealing portrait of the Reagans in *Behind the Scenes*, Beschta received a \$325,000 advance, which helped to pay his legal bills. The perjury charges resulted from



Reagan: the real White House power

his work as a high-priced lobbyist—with the government of Canada as one of his clients—after he left the White House in May, 1985. Beschta depicts President **Ronald Reagan** as shrewd and easily manipulated, and he says that Nancy steered her husband to more liberal stands on major issues such as arms control. **White Denier** "Nancy and I became a team, united in our shared belief that her husband needed to be protected, whether he wanted it or not."



Béart: seduced by the energy of Montreal's youth

It was like a great big family reunion last week for 300 Canadian movie and television stars, screenwriters and producers in Los Angeles. The occasion: a lavish champagne and smoked-salmon celebration of Canada's presence in Hollywood. Attending the party to open the first foreign chapter of the Academy of Canadian Cinema and Television, which awards the annual *Oscars* and *Genies* awards, were actors **Mick McGee** and **Al Waxman**, actress **Mimi Kozlik**, and director **Ted Kotcheff**. Another guest, Montreal-born actress **Michelle Scott**, 30, who is to appear in an episode of *Dallas* beginning next month, says that she has no regrets about leaving Canada eight months ago. She added, "I don't believe I ever put up with this weather."

This week is the 25th anniversary of **Betty Friedan's** provocative book, *The Feminine Mystique*, and to mark the occasion there will be a Hollywood party with a twist. Although men and women have been invited, the feminist celebration is being hosted by five prominent men. Among them are its producer **Norman Lear**, 65, whose ex-wife is about to launch a feminist magazine, and former California governor **Jerry Brown**, 58, who has taken up **Jon Rabidoux**. The event's sponsor, the Los Angeles

based Institute for the Study of Women and Man, decided on male hosts "to underscore the universal influence of Friedan's work," said spokeswoman **Lynne Tule**. But upon noting the absence of female hosts, Los Angeles Times social columnist **Marylinne Oleson** wrote, "Guess some things never change."

Even royal guests at the Winter Olympics in Calgary will be going for gold: the color of the bathroom fixtures in specially provided hotel suites. Among the blue bloods expected for the Games are **Princess Beatrix**, a former member of her country's Olympic equestrian team, and from Monaco **Prince Robert**, with daughters **Caroline** and **Stephanie**, is cheer on son **Albert**, a member of the princely's hockey team. Also expected are Spain's **King Juan Carlos**, Sweden's **King Carl Gustav**, Norway's **Crown Prince Harald**, the Netherlands' **Prince Willem-Alexander** and the former King of Greece, **Constantine**, an Olympic medalist and rider. Part of the red-carpet treatment for the royal hosts is electric blankets for watching chilly events in comfort.

Director **Roman Polanski** is best known for making movies, but one day the director is receiving rare honors as an actor for his stage performance as, yes, a monster insect. In his second appearance on the Paris stage—his first was as **Shogun** in *Swansea* six years ago—the 46-year-old Polish actor stars in an adaptation of **Franz Kafka's** *The Metamorphosis*. Playing a man who one day wakes up as a beetle is "a gymnastic of horror," said Polanski, who stole the role without special efforts or makeup. And although he is still making movies—his latest, *Frantic*, starring **Harrison Ford**, is to open next week—Polanski says that acting is easier. "In the theater," he said, "one is coddled like an irresponsible child."

Polanski 'horror'



—SYNOPSIS BY
MARGARET HARRIS



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Campeau strikes again

Armed with a Grade 8 education and an itch to get ahead in the world, Robert Campeau went to work at the age of 15. His first job—sweeping floors at an Iron Lad smelter in his home town of Sudbury, Ont.—paid 57 cents an hour. Now 43, and nowhere near retirement, Campeau lives in an 11,000-square-foot home in Toronto and owns a multi-billion-dollar real estate and retail empire, Campeau Corp., from offices in Toronto and Manhattan. In late 1986 Campeau stunned the Wall Street financial community with the successful \$4-billion takeover of New York-based Allied Stores Corp., then the fourth-largest U.S. department-store chain. Now, Campeau has embarked on his boldest venture yet, a \$7.5-billion takeover of Chairman, Ohio-based Federated Department Stores Inc., owner of the renowned Bloomingdale's chain.

Should Campeau succeed, he would control one of the largest retail empires in the United States. But by the end of last week the outcome of the takeover battle was far from certain. On Wednesday, Feb. 3, Campeau offered \$27.50 per share for Federated, up from his initial offer of \$26.70. The revised offer was set to expire on Saturday, Feb. 6, at 5 p.m. On Friday Federated chairman Howard Goldfield issued a statement saying that his board of directors would be willing to evaluate the \$27.50 offer if Campeau could provide evidence that he has adequate financing to do so. But in a letter to Campeau, Goldfield said that Federated "will not be covered by the unilateral time limit you have attempted to impose."

In late January Federated directors decided to protect the company from takeover takers by adopting two so-called poison-pill measures designed to ward off any unwanted takeover. The company is also seeking refuge in anti-takeover legislation passed recently in Delaware, the state in which the company is incorporated. Campeau, meanwhile, retaliated with court actions against the Federated poison-pill bylaws and the Delaware takeover law.

Formed in 1899 through the amalgamation of three family-owned de-



Campeau another stunning takeover bid and hard-won respect on Wall Street

partment stores, Federated now consists of 14 department-store and specialty-store chains. The company operates 628 stores in 36 states, employs 130,000 people and has annual sales that exceed \$125 billion. The flagship of that vast retailing network is the 100-year-old nine-story Bloomingdale's store in midtown Manhattan. It ranks as one of the city's top tourist attractions and sells everything from high-priced, exclusive lines of clothing to food delicacies and sporting goods. Federated also competes at the low end of the retail market with a chain called Gold Circle, whose 48 stores are located primarily in Ohio and the southeastern United States.

By comparison, Campeau's retail operations are much smaller. After selling off 38 of 44 Allied divisions over the past 13 months, in order to reduce the debt it had to incur to

acquire Allied, Campeau now owns 290 stores with 30,000 employees. Merchandising revenues in the nine months ending last Sept. 30, the last period for which figures are available, totaled \$2.4 billion. Revenues from Campeau's real estate operations totalled about \$390 million during the same nine months. Despite the size of his prep, Campeau stands a good chance of winning, according to some Wall Street retail industry analysts. Rudi Walter Leeb, analyst with New York-based Morgan Stanley, "He has already been very successful with his Allied acquisition. This time around, Campeau is being taken more seriously."

The Campeau campaign for Federated began on Jan. 25 when the Toronto-based developer-retailer filed a purchase offering with the Securities and Exchange Commission in Washington. Campeau's all-cash offer of \$26.70 per

share was well above the trading price at the time of \$45.58. Federated shares shot up by \$16.67 to \$62.25 the same day as investors anticipated competing bids and possibly even higher prices. Later, the share price slumped to \$57.31, then slid back to the \$46.77 range before closing at \$51.95 on Friday after Campeau revealed his renewed bid. Most analysts argue that Federated shares are worth about

the price of the common stock. Because preferred shareholders are guaranteed an annual dividend, the bylaw would increase a new owner's financial obligations. The board also passed a bylaw stating that, in the event of a takeover, Federated shareholders would be entitled to buy shares in the acquiring company at just 50 per cent of market value.

Federated board members say that

against the Federated poison-pill bylaws in the New York federal district court asking that the Delaware law be overturned.

Delaware's law could become a serious obstacle for Campeau because his takeover strategy is based on being able to sell off some of Federated's divisions. In the purchase offering filed with the SEC, Campeau declared that he has considered and analyzed the sale of a number of Federated divisions, including Ralph's Supermarkets, Gold Circle, Main Street and The Children's Place. And William Smith, a vice-president of the New York brokerage house Smith Barney, said that Campeau might be forced to sell either Allied's Jordan Marsh department-store chain or Federated's Filene's chain because the two combined dominated the market in the Eastern area. Gouling back, said Smith, might violate U.S. federal antitrust laws.

Campeau's declared objective of selling some of Federated's less lucrative divisions makes it clear that he is trying to duplicate the strategy that he used to shunt Allied On Sept. 4, 1986, Campeau officially offered \$50 per share for up to 50 per cent of the company's 47 million shares. The Allied board urged its shareholders to reject the offer, brought in another bidder and fought Campeau in the courts. But by Oct. 31, 1986, he had managed to capture 77 per cent of Allied shares after paying \$5 a share, or a total of \$4.9 million. Over



Bloomingdale's department store in New York City: statutory court action

\$76.20 per share because of the company's high-quality assets.

Although Federated directors walked until Feb. 5 before declaring their stand on the Campeau bid, they had begun defending themselves against a possible takeover in early January. At that point, rumors began circulating that New York real estate magnate Donald Trump was contemplating an assault on Federated. The company is especially vulnerable to a takeover because its 90 million shares are widely distributed. At the end of last year the company had about 21,000 shareholders. The largest single block, representing about five per cent of the shares outstanding, is held by the employee pension plan. As a result, the board passed a bylaw giving common shareholders the right to buy Federated preferred shares at a discount below the market price if an outsider wants to acquire more than 15 per cent

they hope they can use the new anti-takeover law that the Delaware state legislature passed to stop Campeau. Delaware Secretary of State Michael Markins said the new law stipulates that an individual or company that acquires a firm incorporated in Delaware cannot sell pieces of the takeover target for at least three years unless it has purchased more than 85 per cent of the target company. Delaware, like roughly 20 other American states, passed an anti-takeover law after being lobbied by companies that were concerned they were vulnerable to a buy-out. An estimated 180,000 U.S. companies are incorporated in Delaware because of its favorable corporate tax rates and minimal disclosure requirements.

Last Tuesday, Feb. 3, Delaware Gov. Michael Coons signed the bill into law. On the same day, Campeau's lawyers filed an amendment to their suit

the past 15 months Campeau has sold 16 of Allied's 24 divisions for a total of \$1.5 billion. After merging two divisions, Allied retained its operating divisions, which in 1986 earned 45 per cent of total company sales and 87 per cent of profits.

Although Campeau appears to have the financial support and the expertise to wage a successful takeover battle, some retail industry analysts and observers question the wisdom of his latest venture. Said one former director of Campeau Corp.: "I think he is a damned fool. You can make one big hit and make lots of money, but your chance of making two big hits are not very good." The former director added that after five unproductive years of growth, the North American economy is due to slow down, which will adversely affect the retail industry.

But other observers say that they see a second business strategy behind Campeau's move into the United

Stokes and his acquisition of retail assets. Harry Ransaul, real estate analyst with Toronto-based Merrill Lynch Canada Inc., said that developer-retailer partnerships are an emerging trend in the American merchandising industry. As a retailer, Campese can get one or more of his department-store chains into new shopping centres as anchor tenants in exchange for an ownership position in another developer's project. As a developer, he owns a stable fall of potential anchor tenants for his own shopping centres. Said Ransaul: "You can't play this game in Canada. The department stores are all controlled."

Indeed, Campese now seems determined to expand his company south of the border, after a long and remarkably successful career in Canada. From

his modest beginnings as a floor sweeper, Campese became a certified merchant at Inco and eventually a supervisor at an Ottawa-area pulp and paper plant. In 1948, at age 34, he built a \$5,000 home for his family but immediately sold it for \$9,300. That profit alone launched his career as a home builder, and over the next 30 years Campese's company erected about 20,000 houses in Ottawa. He also built an estimated 40 per cent of the office space that the federal government now occupies in Ottawa.

Besides being an ambitious businessman, Campese is a devoted family man who is the father of six children. In 1982 Campese moved his company to Toronto where he and his wife, Lisa, built a luxurious home in an exclusive area known as The Brimley Park. Fol-

lowing his apparently ill-timed takeover of Allied, the developer told an interviewer: "I'm not interested in status. I do this for the sense of accomplishment. I just like the challenge."

Currently, Campese has one major Canadian project in progress—the 60-story Bank of Nova Scotia tower in downtown Toronto. It is scheduled for completion next fall. And Campese is constantly refurbishing or expanding existing shopping centres. But having set his sights on acquiring the giant Federated Stores, the former floor sweeper is poised to become a major player in the American development and retail industries.

—DARIN JENSEN with DAVID LEONARD in New York City and BRADLEY KENNEDY in Toronto

Fallout on Bay Street

For people who work in Toronto's financial district, it was tangible evidence that their world has changed drastically. Last week James Blaisdale, chairman of Canada's largest investment firm, Dominion Securities Inc., stunned employees with the announcement that eight of his directors were leaving. Among those named in an internal memo were the firm's high-profile chief economist, Carl Bege, and its head stock trader, Michael Rowett. Said Dominion director Charles City: "It's a tough business."

Indeed, many of Canada's securities firms are coming under new ownership—several large ones will be owned by Canada's major chartered banks—and tough-minded proprietors are putting down overlapping departments and services. Already the Royal Bank of Canada, which is scheduled to buy 75 per cent of Dominion Securities in mid-March, has shrunk an already-slim head trading department. Speculation also persists that the impending alliance of the Canadian Imperial Bank of Commerce and securities dealer Wood Gundy Inc. will produce more layoffs.

Meanwhile, a brewing controversy over the management of the Toronto Stock Exchange took an unusual turn last week when three Toronto newspapers received a secret memo leaked by someone associated with the exchange. The memo, prepared by risk vice-president Terry Popowich, alleged that there was evidence of "leakage" both and gross overpayment within the operations of the exchange. That memo followed the sudden and controversial firing by Popowich of 20 exchange employees last month. And in a recent public display, four traders responded to the firings with a protest meeting on the exchange floor. They claimed that exchange officials were moving to phase

out floor-to-floor trading on the floor in favour of computerized trading.

The action taken last week by Dominion is the most dramatic cutback in high-level employees so far. Of the eight departures, the most controversial was that of Bege, 47. Formerly president of the Montreal-based C.D. Howe Institute, a think tank, U.S.-born Bege—as Dominion's chief economist—cut a foreboding figure, often making controversial stands on economic issues. But insiders say that he preferred to work on broad policy issues rather than in the day-to-day events of the market. He characteristically outspoken style, Bege said he thought that Dominion's top executives "wanted to look good for the new owner."

Indeed, Dominion's City said that new appointments to the firm's executive lineup will be announced next month as part of an effort "to make ourselves more effective and more efficient." He added, "To keep a bunch of old fogies around can be very discouraging to the younger people."

Of the eight directors leaving Dominion, four cited fear of early retirement. The youngest of the four, 53-year-old Blaisdale, was at the centre of an internal investigation last year. The Investment Dealers Association received a complaint about him. Dominion officials said their inquiry concluded that "there was nothing to the complaint." But last July the Ontario Securities Commission requested the matter when it launched a sweeping investigation into securities stock trading. City said Blaisdale's departure had nothing to do with that investigation, but others suggested that Blaisdale was disillusioned with the business because of the publicity surrounding the controversy and wanted to "cash out."

—PATRICIA BOST

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A rich marriage of convenience

By Peter C. Newman

On fall that is pending, consummated and/or merger shenanigans between chartered banks and brokerage firms during the past year, none is likely to have the long-term impact of next week's union between the Royal Bank and Dominion Securities Inc. On Feb. 17, shareholders of what is considered Canada's largest investment house will meet to approve the acquisition of their firm by Canada's largest bank. The new company, which will operate under the well-known moniker "the Dominion Securities," will start off with a hefty initial base of almost seven million customers, accessible through the nearly 1,500 branches that the two organizations will run under separate banners in London, since they eventually assume control of Kintor & Affrès, a leading city-endorsing subsidiary of Citicorp. The Royal's international investment arm—and that is only one of a whole series of future synergies made possible by the massive merger.

With 42,836 employees and assets of more than \$100 billion, the Royal is not only Canada's largest bank, but its yellow lion is visible through branches, subsidiaries and affiliates in 40 other countries as well. Because of its ties with Third World debt, the bank suffered a \$385-million loss in 1987, although the pre-merger profit figure was a healthy \$541 million. Royal chairman Allan Taylor recently told me "We saved at least \$30 million by waiting to buy a brokerage until after the crash. Some of that was a dumb luck, but I don't mind being dumb lucky with those kinds of amounts involved. But it runs both ways. We chose to finance this deal using two-thirds of our own stock, which fell considerably since the merger's first attempt. But when you melt it all down and take a look at what we might have paid last August, as opposed to this February, there certainly have been significant savings."

The speculated \$385-million arrangement calls for the Royal to purchase an equivalent 75 per cent of D's equity, with senior staff retaining the balance (at a cost of 2.5 times the book value) as an incentive. The Big Five that have made Dominion Securities a valuable prize: Tony Philip, Patrick, George Desbrière, Doug Mackay and Bob Yorgen—currently hold two million shares, which will be

worth \$31 million under the proposed swap. What has yet to be worked out is the exact relationship between the two companies. Despite last week's endorsed departure of night senior executives, the arriving on a team is determined to remain as fully autonomous unit within the bank. "We have to be very careful about any conflicts of interest," Taylor told me. "I have really always had it in my head that we would separate the



Taylor: when dumb luck cuts both ways

two organizations, and we just haven't ever used the word 'integration.' It is in the customers' interest right now to keep the two cultures apart. Also, we could have a loan account that has gone slow, and all of a sudden our investment arm goes public with an equity issue, the proceeds of which will pay off our loan. We could be in pretty deep trouble if things didn't go well for the holders of these new shares."

Like most responsible financiers, Taylor is appalled at some of the con-

stant revelations emerging from the Edmonton hearings into the downfall of Donald Goss's Principal Group financial empire, and says that he would like to see the federal deposit insurance scheme revised so that the public bears more of the responsibility. "By our estimate," he said, "about \$295 million of the Canada Deposit Insurance Corp's current deficit resulted from the supervision of the defunct financial institutions by federal and provincial governments. A revised system of co-insurance, with 30 per cent of the risk carried by the depositor, would entail a much-needed element of market discipline into the system." The Royal's chairman considers the depositor's first \$30,000 as being 300-per-cent government-guaranteed, with any balance higher than that carried partly at the depositor's own risk.

Taylor says that he feels particularly strongly about critics of his company who complain that Canada's chartered banks pay far too little income tax. In 1986 the Big Five reported net profits of more than \$2 billion, but only one bank—the Royal—actually paid any income tax at all. "We see it as a straight tax that, unlike other financial institutions, we're required to maintain large interest-free deposits with the Bank of Canada, which cost us at least \$60 million a year," Taylor said.

Not surprisingly, Taylor's bag wears the Royal's \$5 billion in Third World debts. "We now have something in excess of \$2 billion paid away," he said. "That's about 20 per cent of the debt of the 34 companies with loans on our books. We're up against the Americans, British and French banks and about equal to the Japanese and Germans. Instead of merely restructuring existing loans, we're well into Phase 2, long-term repayment plans. We're stretching their maturities to 30 years, which is a tremendous concession. There will also be some short-term financing—three to six months—that can't be renewed, to help them look start their economies. The important thing is to make them creditworthy again so they can start borrowing on a voluntary basis."

The Royal's ability to deal with that and future crises will undoubtedly be enhanced by its impending marital union with Dominion Securities. But whether this important new marriage arrangement both its partners remain very much an open question.



Skin-care treatment, wrinkles, blemishes, and new drugs that are safe to safely

HEALTH

Prescriptions for youth

For centuries men and women have sought ways to extend the ravages of the aging process. It was that passion that drove Spanish explorer Ponce de León to spend several months in 1513 searching the southern Caribbean for the legendary fountain of youth. People have used face powders, corsets and wigs to mask reality and, more recently, face-lifts, hair transplants and tanning salons. Now, two new prescription drugs are the latest bid to victory. One purports to grow hair on bald spots and the other claims to reduce skin wrinkling caused by the sun.

The hair-growing product, Rogaine, contains minoxidil, a drug that was discovered to treat hypertension. But in 1986 The Upjohn Co. of Canada turned that drug's most persistent side effect—accelerated hair growth—to advantage by marketing Rogaine as a hair restorer. According to Upjohn spokesmen, company-sponsored research shows that after 10 months of treatment 58 per cent of 629 patients tested had reported "moderate or dense" hair "regrowth."

Because federal law prohibits advertising prescription drugs as big advertisements, Upjohn launched a national campaign last October that, without naming Rogaine, proclaimed, "If you are facing baldness, you should know the facts." The ad notes the development of new treatments for common baldness and urges people who are concerned to talk to their doctors. In medical and pharmaceutical journals, Upjohn names the drug whose success in the first quarter following its introduction raised the

price of the parent company's stock by 35 per cent.

Douglas Spire, vice-president and assistant general manager at Upjohn Canada's Toronto head office, said that various scientific studies in Canada, the United States—where the Food and Drug Administration has not yet cleared Rogaine as a hair restorer—and Europe "indicated that topical application twice a day grew hair on between 30 and 40 per cent of balding patients." But Dr. Walter Unger, a University of Toronto dermatologist, said that in recent journal trials he conducted on 42 male patients at Upjohn's request, only 30 per cent "grew hair that was more

upjohn ad, turning a side effect to advantage



than four." However, he said that about half of the patients "thought they were losing less hair."

Still, Unger said that he is not entirely convinced about Rogaine's value. "There's very little to lose—a bit of money and a bit of time," he said. "It does work to some extent on some people." But treatment costs of about \$25 per month were too high for Dr. Ken Gledhill, a 30-year-old emergency department physician at Ontario's Kitchener-Waterloo Hospital. Gledhill said that he had used Rogaine for six months last year and that he could not decide if it had arrested the thinning of his hair. Declined Gledhill, "I would be still using it if I could get a free trial."

Although Spire would not divulge sales figures for Rogaine, he said that consumer demand for the product had been encouraging. According to Gerald Steinhilber, the owner of a Shopper's Drug Mart franchise in Woodville, Ontario, "it is a very big item." He added that many of his customers were US citizens who had bought Rogaine on prescriptions they had obtained from Ontario doctors.

US residents have no such problem obtaining the new anti-wrinkle cream Retin-A, manufactured by Ortho Pharmaceutical Corp. of Raritan, N.J., and sold as a treatment for acne. The drug is produced in Canada by Rorer Canada Inc. of Toronto under the brand name Vitamin A Acid (Videx) and by Stiefel Canada Inc. of Montreal, which calls it Stirova. Including a pharmacist's typical dispensing fee, a one-ounce tube of the cream sells for about \$17. But medical opinion about tretinoin—Stirova's generic name in all those preparations—is as mixed as is that of Rogaine.

In Vancouver, Dr. Stuart Maddin of the University of British Columbia's faculty of medicine and their he had been prescribing V.A. for about three years and that it made "small wrinkles caused by sun damage certainly less obvious." For his part, Montreal dermatologist Dr. Theodore Doreault, who has written many case studies and articles on the skin. Although he has prescribed it to reduce wrinkles, he said that it was still too early to judge the product's effectiveness.

Obviously, neither drug represents the fountain of youth. But for the drug manufacturers, chemicals that grow hair and reduce wrinkles are profitable signs on the trail of Ponce de León.

—RAE CORRELL with correspondence reports

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Maclean Hunter

Sharing a World of Ideas

Fat that will not fatten

An instant on the lips, an eternity on the hips—that is the familiar dilemma for lovers of such fattening treats as ice cream and soup-cream. But late last month U.S. researchers announced that weight- and health-conscious consumers may soon be able to indulge more freely in those foods. According to officials at The NutraSweet Co. in Shioon, Ill., the company has developed a fat sweetener, which it plans to have on the U.S. market within 18 months. The officials say that their product, called Simplesse, has the creamy texture of fat but contains no fat or cholesterol and that it has about 80 per cent fewer calories than caloric sweeteners. Simplesse food scientist Norman Singer—who did pioneering work on the substance in 1979 in London, Ont.—added that his colleagues are developing low-calorie versions of chocolate and wine containing Simplesse and the company's artificial sweetener, aspartame.

Still, U.S. Food and Drug Administration officials say that Simplesse must first undergo their scrutiny, a procedure that may delay the product's appearance. And in Ottawa, federal health and welfare department spokesmen said that NutraSweet's Canadian office had not yet submitted the product for approval. Meanwhile, the FDA is already examining another fat substitute, a synthetic product called olestra, which Procter & Gamble has unveiled last May. But the FDA is reviewing olestra—a substance that cannot be digested or absorbed into the body—as a food additive.

By contrast, Simplesse consists only of water and protein derived from such sources as egg whites and milk. NutraSweet officials say that the company has devised a process that spins the proteins into a granular powder. Then researchers reshape these particles into a smooth, bead-like consistency of a fat globule. That molecular rearrangement, said Singer, resembles "winding them up like spaghetti or a fork." Added Singer, "It's like changing the flow into a laminar flow, like changing the form, not the molecular identity." As a result, NutraSweet officials say that they are confident that the FDA review will proceed smoothly. If that is the case, food lovers will soon be able to enjoy rich-tasting foods without the usual cost in calories.

—ANNE TREACY



McInnis with Loretta, Bouchard (right), extending maternity benefits to dads

JUSTICE

A father's victory

Loretta Villeneuve died when her baby was born last Nov. 12, and so did the father, John McInnis, a 38-year-old truck driver from Kitchener, Ont., had to take a leave of absence from his job to look after his infant daughter. But further problems developed after the initial tragedy. Loretta's body was buried prematurely at a London, Ont., hospital, was underweight at four pounds six ounces. As well, she had meningitis—a debilitating nerve disorder—and had to be fed continuously. Meanwhile, McInnis applied for benefits under the maternity provisions of the Unemployment Insurance Act, but officials rejected his claim. Then a welcome turnaround occurred: Loretta recovered and went home on Dec. 18. And last week McInnis learned that he would be receiving unemployment insurance benefits after all—and that his case had sparked landmark legislation, said McInnis. "It feels pretty good."

The speed with which McInnis's case was resolved reflected the widespread sympathy surrounding the circumstances. Villeneuve died at 38 from a brain tumor, eight months into her pregnancy. Doctors at Victoria Hospital in London kept her artificially alive as a support system long enough to deliver her baby by cesarean section. On Nov. 22 McInnis applied for benefits—but officials told him that they had to comply with the law. Although the Unemploy-

ment Insurance Act has allowed benefits for adoptive single fathers since 1981, it makes no provision for natural fathers.

Reverenced by supporters, McInnis took his case to Kitchener lawyer Timothy Flanagan, who on Jan. 27 launched an appeal to the Unemployment Insurance Commission on the grounds that the refusal to pay benefits violated the Charter of Rights and Freedoms. On Feb. 2, after reviewing the case, Employment and Immigration Minister Benoit Bouchard announced in the Commons that he planned to introduce a bill that would ensure benefits for McInnis and fathers in similar circumstances.

Spokesmen from Bouchard's ministry said that they anticipate a swift passage of the bill, expected to be tabled within a few weeks. Indeed, the only controversy surrounding the bill is that it may be too narrow in scope. But even its critics say that they hope it will serve as a catalyst in broadening the base of parental-rights legislation. Meanwhile, as McInnis awaits his first cheque—maternity benefits are \$230 per week on a period of 15 weeks—he modestly feeds, bathes and changes baby Loretta in his two-bedroom apartment. Father and daughter, supported by mother and private donations, are both doing well. And Loretta now weighs in at a healthy 30 lb.

—MARY MOYER

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FOR THE RECORD

Return of the minstrel

Folksingers, the troubadours who inhabited so many coffeehouses and festivals two decades ago, had become an endangered species by the early 1980s. But recently, as rock returned to its roots, folk music has quietly staged a comeback—through adventurous festivals and such popular artists as Suzanne Vega and the punk-influenced Billy Bragg and Michelle Shocked. Two singer-songwriters who have influenced the new wave of folk, John Prine and Steve Goodman, have new recordings out on Edmans's Swan Press label. Their albums reveal the source of folk's strength: songs of intimacy and insight.

Goodman, who died in 1984 after a long battle with leukemia, and Prine, Goodman's close friend, rank among the most talented writers folk has ever produced. Prine, who is best known for *Bells in the Trees*, a moving tribute to old people that Joan Baez has recorded, displays his gifts as a lyricist once again on his new album, *Grown As This World*. Out of *Love* is a pun-filled, crying-in-your-beer song, while *Red Sky* includes the very confession of a delinquent lover. But the album's best moments are the up-tempo version of Prine's 1971 classic, *Paradise*, an earnest tale of industrial progress, and the country-flavored Prine-Goodman collaboration *If She Were You*. The latter offers clever twists in each line as, "She wants to take your place and be my lover/And I could make her mine if she were you."

Although Goodman's posthumous *Unfinished Business* suffers from inconsistency, the second disc shows the artist at his best, including the rollicking *Don't Get Small* (a B Co-written with Sean Kelly, it features such cheeky whimsies as "it would be a pity/If you got your little stinky grity," "And Colorado Christmas, a melancholy song of yearning, is destined to become a national favorite. Goodman may be best remembered as the author of Arlo Guthrie's 1972 hit, *City of New Orleans*, a train-song classic. But as long as he continues to be discovered by such new folksingers as Shocked—who performs his stirring ode to a Vietnam widow, *The Ballad of Penny Evans*—Goodman's legacy will live on, adding to folk music's enduring appeal.

—NICHOLAS JENNINGS



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RECREATION

Surfing on the slopes

This winter at ski resorts across North America, adventuresome fun-seekers are mounting sleek, human-shaped pieces of fiberglass and gliding down snowy slopes in snowscooters that look like a waterated version of surfing. Participants in the new sport, called snowboarding, are by accounts agile and usually young. But all are united in their enthusiasm. Said Len Chabaine, president of the four-month-old Vancouver-based Canadian Snowboard Association, which already has 285 members: "It turns the mountain into a playground. You

rough backcountry hills throughout the United States, miles away from the well-groomed slopes at ski resorts, snowboarding has exploded dramatically this year at ski resorts throughout North America and in Europe. And its supporters say that it is giving well-needed support to the flagging ski industry. In the past year, according to Paul Alden, president of the year-old North American Snowboard Association in Denver, the number of snowboarders has jumped to more than 280,000 from 73,000. As well, said Alden, "manufactur-



Snowboarder at Copper Mountain, Colo.; criticism and lessons in etiquette

can jump, you can go backward or forward, you can bank on a mogul." Added Edgar Nagreiner, director of skiing at Mount Nequay, near Basel, Alta. "The boards are fluid, in fluorescent colors, and so is the snowboarder's clothing."

Still, the show aspects of the sport are antagonizing traditional alpine skiers, many of whom express contempt at the antics of the flamboyant snowboarders. Declared Peter Bance, a ski instructor at Mont St-Basile, 65 km north of Montreal: "I resent a snowboarder being on the same hill. On skis, I can avoid people and stop if I want to, but a snowboarder has a lot less control. They get in the way." But the growing popularity of the sport before the notion that it might be just a passing fancy. From its experimental beginnings in the early 1970s as

one are reporting a doubling each year of their business—and that will continue."

But snowboarders wanting to move from the backcountry hills to the resort slopes are often thwarted in their attempts by operators who claim that the sport is incompatible with alpine skiing. Snow of Ontario's 55 alpine ski resorts allow snowboarding. Declared Joel Huter, who along with his family owns the Mount St. Louis-Mountaineers ski resort, 150 km north of Toronto, and who banned the sport after a two-year trial: "Skiers think that a snowboarder is going to doleher them from behind." A contributing factor to the problem, according to Peter White, owner of Toronto's Hargrave Skate and Snowboard Shop, is that most snowboarders are inexperienced. Said



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In a very real sense, this simple phrase sums up another age-old quest, the dream of powered flight. And in the realization of the dream, every step of the way, a key element has been nickel.

At the turn of the century, the Wright brothers were quick to discover that nickel alloys added strength, durability and heat resistance to pivotal components in their early flying machines. Aviation historians cannot verify whether nickel was present in the first "Glorious Hawk Flyer." But if it wasn't, that's the only flight we missed, for all their subsequent aircraft contained it.

And the story of advances in aviation thereafter is very much the story of metallurgical development, and Inco nickel. When Blériot first flew the English Channel in 1909, nickel was there. When Alcock and Brown first spanned the Atlantic in 1919, nickel was there. And in the years that followed, Inco's alloy

experts worked closely with aeronautical engineers seeking ever stronger combinations of nickel, steel, chromium, titanium and aluminum so that moving parts could hold their shape withstanding higher temperatures, greater stress factors and increased pressure.

By the late 1930s, propeller powered aircraft were rapidly approaching their upper limits of performance, and an entirely new type of propulsion was needed

and a new alloy that was stronger still.

Frank Whittle, an English engineer, devised the very first gas turbine, in which rapidly spinning blades (forerunners of the one seen above), compress an actual mix and re-ignite contain and channel its explosion. To take the heat, a new series of NICKEL alloys were formulated, forged and, by 1942, took flight.

This technology helped usher in the jet age. And we've pushed farther. On March 7, 1961, powered flight reached its zenith when the experimental X-15 soared across the skies at speeds a little shy of 3000 km/h. With temperatures approaching 370°C, the outer skin of the fuselage glowed cherry red, yet maintained its integrity. Inco's INCONEL alloy X-750 lived up to a new frontier and helped make possible manned space flight, and the lunar landings.

Today Inco's alloys are helping more people verify and safely access outer-space wonders. And tomorrow we will be there, as we've been there all along, extending the limits of what's possible, ever swifter, higher, stronger.



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Newsroom after news releases, 'news line' video highlights a typical next step

MEDIA

Questionable sources

In February, 1987, CHOI TV in Peterborough, Ont., broadcast a series on Heritage Week—an annual government-sponsored event to promote an appreciation of Ontario history—which included a videotaped interview with the province's culture and communications minister, Lily Odette Munro. But the CHOI newscast did not initiate or carry out the interview. In fact, the ministry had hired Canada News-Wire Ltd., a Toronto-based news-release distribution company, to produce it and distribute copies of the tape to broadcasters across the province. Then, last fall, in a related development, tv stations across the country began to air free broadcasts supplied by a public relations firm under contract to the federal Conservative party. The use of these tapes pointed out a growing—and controversial—practice on the part of tv stations to incorporate video highlights in their regular news broadcasts.

Proponents of the practice say that so-called video news releases are merely an extension of the printed news releases routinely distributed to members of the media. But critics contend that stations are the slowly produced video without mentioning that they are promotional tools paid for by governments or businesses—and viewers have no way of knowing whether they are genuine or not.

One of the major players in the field is Toronto-based Canada News-Wire—whose primary business is to

print and distribute information, mainly news releases, to the media on behalf of thousands of clients. Two years ago the 27-year-old company began making videos as a logical next step. According to president Gordon Eastwood, 51, the company tries to keep its videos "as newsworthy as possible." As an example, for client Nesimplicity Inc. of Toronto, which distributes a stop-smoking aid called QuitKit, Canada News-Wire produced a two-minute video that examined measures to restrict smoking and described a range of how-to-quit products—as well as QuitKit. Forty-one tv stations across the country played up the video, and even aired it as a complete news feature.

For his part, Eric Hutchinson, president of the 405-member Radio-Television News Directors Association, and that stations should at least inform viewers that they are broadcasting a promotional video. Otherwise, he said, "if you put it on the air and pretend it is your own product, you are leaving yourself wide open. And if you lose your credibility, it will have a direct impact on your ratings." But few stations make any distinction. And video news releases have provided small stations with a welcome addition to their staffing and financial problems. As a result, the substitution of slick simulations for genuine news reports is a practice that seems likely to continue.

—JAMES CARRIS in Toronto



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FILMS

Spectres on skid row

IRONWEED

Directed by Director Babenco

The drunks who inhabit *Ironweed* shuffle about like shadowy figures in a dark dream. Francis Phelan (Jack Nicholson), Helen Archer (Meryl Streep) and their cohorts are tormented souls accustomed to floating their pain with rot-gut liquor. Set in the autumn of 1936—a time when North America was skillfully reverting from the Depression—the movie opens with Francis in Albany revisiting the family he had abandoned 20 years earlier. His first stop into the past is a trip to the grave of his infant son, whom he accidentally dropped and killed when the baby was 13 days old. Unable to forgive himself, Francis had then left his wife and two other children and hit the road of alcoholic self-abuse. Unlike last year's *Backy*, which glorified the sorrows of the bottle, the movie is an unrelenting depiction of misery. But like *The Lonely Patient of Judith House*, yet another recent movie about alcoholism, *Ironweed* is often devastatingly moribund.

Adapted by William Kennedy from his own Pulitzer Prize-winning novel, the film attempts to turn what was reprinted on the page into a vibrant story on the screen. Francis suffers hallucinations, the ghosts of his past haunt him, and people watch perplexed as he advances dirt and spit. But neither Kennedy nor director Director Babenco (*King of the Spiders Women*) have found a way to make those visions seem anything but silly. And the flashbacks to his earlier days—when Francis accidentally killed a man during a street car strike—only serve to slow a movie that is more than 2½ hours long. In fairness, the movie does not lead itself to screen adaptations. Francis's spiritual downturn and his long-term relationship with Helen are not the stuff of visual storytelling.

Still, two wonderful performances save the movie. To the taciturn Francis, whose emotions are as raw as the Albany weather, Nicholson brings the right degree of sobriety intensity. But it is Streep, her open red-earrings beneath her hat and wearing a coat held together by a single pin, who steals the show. Her voice, so low that it is inaudible, is filled with bitterness. And there is a memorable scene in which the character, once an accomplished pianist and singer, performs a torch song and hallucinates a

salon. Still, with an aching audience in fact, almost no one has been listening to her growling, off-key rendition.

Ironweed offers a painful depiction of how alcoholism devastates its victims. One sees strikingly accurate that message as Francis walks at night, with his shadow preceding him along a wall, the rain is more spectre than substance. But the movie's centerpiece is the touching interlude in which Francis returns to visit his still-fidel wife, Anne—played with disarming simplicity by Carroll Baker—who holds out hope that he will stay that time. Francis, once a professional baseball player, meets his grandson (Evan Koss) for the first time and shows him how to throw a curve ball in their domestic sequence, which Babenco directs with aching sensitivity, the true tragedy of Francis's life emerges: the audience sees the magnitude of his loss through drink.

The movie's characters are utterly, particularly powerful in scenes of alcoholism, which in 1936 was not even recognized as a disease. Their plight is both misleading and poignant. And although it staggers through patches of dullness and sentimentality, *Ironweed* ultimately provides a sobering view of that tragic affliction.

—LAWRENCE O'ROURKE



Streep: sharing pain with rot-gut liquor

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Rusalki, Lipman, Gendreau: grotesque sculptures, reading and a house on fire

THEATRE

An artist's burden

THE ROAD TO MECCA

By Athol Fugard
Directed by Linda Moore

South African playwright Athol Fugard's powerful dramatizations of the inhuman effects of apartheid have won him an international reputation—and cast him as a conscience of his tormented homeland. *The Road to Mecca*, which had its Canadian premiere at Montreal's Centaur Theatre last week and will travel to Edmonton's Citadel Theatre next month, demonstrates how costly the double burden of artist and social critic can be. Lacking the usual of such powerful Fugard works as *A Lesson From Alois* and *Master Harold... and the Boys*, the play is simply wordy and ponderous.

The central theme of the play, which Winnipeg's Manitoba Theatre Centre and Toronto's CentaurStage will also mount in separate productions this year, is artistic freedom. That notion is embodied by a 31-year-old Africanist, Miss Helen (Jean Gendreau), who has established her sculpture in a remote village by fashioning strange and grotesque sculptures in the backyard. After her failing eyesight almost leads her to set her house on fire, two friends drop over her to help her. Mrs. Marcus Bylandt (Peter Bertucci) wants Miss Helen to move to an old folks' home. Elsie (Nicola Lipman), an outspoken young Cape Town feminist, has driven 1,200 km to stop him.

As Miss Helen, Gendreau single-

handedly carries the play from indoors to a greenhouse where rainy triumphs at the Centaur began in 1975 with Fugard's *People Are Living There*. Once, she brings tenderness and vulnerability to the role, making it possible for the audience to take the extreme widow seriously as an artist. However, low-energy performances from Bertucci and Lipman fail to make their characters' conflict compelling.

A stiff editing of the word-packed text might have softened the play's dramatic impact. Instead, director Linda Moore has increased the play's static atmosphere by placing her cast to the floor of a cluttered one-room set. In the end, the play's single characters are forced to hear too much of what was on a great writer's mind. For all its surface realism, *The Road to Mecca* is Fugard's most private play. "Miss Helen is me," he has said. *The Road to Mecca* defends art for the artist's sake—a means by which someone who burns with an inner vision can go on living.

Partly because of the personal interest of the Centaur's South African-born artistic director, Maurice Podbry, Montreal's Montaigne have been able to use six Fugard plays since *Road to Mecca* in 1977. Judging from the standing ovation on opening night, the playwright's Montreal fans have been well prepared to appreciate *The Road to Mecca*, a personal drama for the politically engaged Fugard.

—MARIAANNE ACKERMAN

Skirmishes of the sexes

YOU'VE NEVER CAN TELL

By George Bernard Shaw
Directed by Christopher Ninnes

Eighty-eight years have passed since the first production of George Bernard Shaw's comedy *You Never Can Tell* tackled the war between the sexes. Times and tastes have changed since then, but as the Shaw Festival's current production of the turn-of-the-century comedy deftly illustrates the indestructible spirit of modern woman has altered little since 1900. Now playing at Winnipeg's Manitoba Theatre Centre—and moving to the Olympic Arts Festival and Theatre Calgary before returning to open the Shaw Festival's summer season—*You Never Can Tell* is a carefully crafted and almost flawlessly executed farce that travels as gracefully as it has aged.

The story follows the attempts of a penniless but charming dentist, Valentine (Andrew Gillese), to win the affections of the headstrong Gloria (Camille Mitchell). But Gloria, who is struggling to follow in the footsteps of her misanthropic mother (Frances Hyland), desires her suitor to be a man of intellect. Faced with that obstacle, Valentine must also contend with interference to his romantic overtures from Gloria's mischievous siblings (Robin Taylor and Steven Stedfeldt), and surprising complications caused by his history-laden lover.

Christopher Ninnes, artistic director of the Niagara-on-the-Lake, Ont., Shaw Festival, has paced the action skillfully. And while all the performances are first-class, veteran actor Douglas Bain is particularly strong in the part of Walter, the obnoxious but over-in-command waiter in the restaurant that the characters frequent. He carries the action whenever he is onstage, guiding the young couple through the playwright's clever romantic maze. Almost a century later Shaw's keen insights into sexual politics still ring true, particularly his observation that women struggling for equality—and shedding aggressive behavior—can be used to antagonize other male chauvinists. Yet the message is never heavy-handed; there are enough snuffing reversals and well-timed laughs to make *You Never Can Tell* a liberating delight.

—READ OSWALD



McCollough: a fictional romance that spanned the years and circled the world

PUBLISHING

A tale of twin spinsters

The penitents are striking in *The Blue Castle*, a little-known 1928 novel by Anne of Green Gables author Lucy Maud Montgomery, nowly updated Valancy Stirling books from a reclusive family by noting and wedding a disreputable bachelor. Bernice Smith agrees to the marriage only after Valancy shows him a doctor's letter that gives her one year to live in *The Ladies of Mincinghott*, written by best-selling Australian author Colleen McCollough (The Thorn Birds) and published last year by Harper and Row Publishers, Inc., the spinster's name is Miss Wright, the bachelor is John Smith and the letter says much the same thing. The plot sets both set early this century in recent conversations, Montgomery's is Canada and McCollough's is Australia. They share an extraordinary number of details, down to the dewy brown clothes that the two spinsters wear.

The similarities first came to light last December, when book reviewer and editor Maxine Gavrie wrote about them in the Kingston, Ont., daily, The *Kingston Star*. Gavrie, who had read *The Blue Castle* as a teenager, noted parts of it to complete a review of McCollough's novel for the newspaper. "I don't understand how she could have let it happen," said Gavrie. "If you are plagiarizing something, you would at least change the color of the hair and avoid repeating phrases." Before writing her article, Gavrie edited McCollough, who lives on remote North-Is-

land, about 1,800 km east of Brisbane. The author replied that the similarities were "merely pleasant echoes" from when she read the book as a child.

McCollough insists that "Miss is very much her own creation." "The real Miss Augusta to look at, I guess was," says the partly 50-year-old McCollough, who did not marry until she was 45. "And it was because of my own personal experience that I have had a particular fascination with the old maid." She added, in an interview with *McCollough's The Age* newspaper: "I read Lucy Montgomery as a child, along with some 40 other books a week. Perhaps because I loved her work best of all, my subconscious recorded something."

Both novels are tales of love conquering all. In Montgomery's tale, Valancy lives a barren existence with a disesteemed mother, detested even the daughter of a pet cat. She finds refuge in fantasies about a handsome Spaniard, where she walks with a red-headed lover. But when her doctor wrongly diagnoses a fatal heart condition, she rebels, falling in love with Smith. The story ends happily when he turns out to be not only a loving husband, but a rich man.

McCollough's Missy also escapes from her emotionally empty family into fantasies of redheaded strangers. And her fantasies also change with a medical doctor sentence, a letter for another patient that she steals from her doctor's desk. Smith, too, becomes a

perfect—and wealthy—husband. The two books even share some themes, including the observation that the bourgeoisie enforces women both "keep all their goods in the shop window."

Gavrie was not sure in finding parallels between the books. Letters relating the similarities have flooded into McCollough's publishers. Sold the author's New York editor, Nancy Sato. "There are striking similarities that look like more than coincidence. It is puzzling and worrying."

Similarity of the two books has become intense. Last week a film crew from the Australian Broadcasting Corp. was in Prince Edward Island, where Montgomery grew up, preparing a report for the network. And Toronto lawyer Alan Hirsch, who represents Montgomery's estate, as well as the Writers' Union of Canada, told McCollough's that a legal action seeking damages from McCollough for infringement of copyright is "under active consideration."

Around the controversy, one thing seems certain: McCollough stands to earn more from Missy Wright than Montgomery did from Valancy Stirling. Montgomery's lifetime income from her 30 novels amounted to about \$500,000. By contrast, the Australian author earned about 28 times that much from *The Thorn Birds* alone. And McCollough's latest book now contains an intriguing—and potentially lucrative—subplot.

—DEBBE WOOD with PHILIP GREGORY in Sydney and JILL BRAGA MANSFORD in Charleston

MACLENN'S BEST SELLER LIST

FIC-TION

- 1 *Kalidoscope*, Scott (C)
- 2 *The Daylight Marriage*, King (C)
- 3 *Sarah, Ruth*, Pinter (C)
- 4 *Winter*, Douglas (H)
- 5 *281*, Ondaatje (H)
- 6 *Red Heart*, Taylor (H)
- 7 *The Bones of the Land*, Wright (H)
- 8 *Blues and Ball*, Jones (C)
- 9 *Presumed Innocent*, Tierce (H)
- 10 *Waterwheel*, Barker (C)

NON-FICTION

- 1 *Caveat of the Wilderness*, Newman (C)
- 2 *Time Flies*, Gault (H)
- 3 *Black and White of Canada*, edited by Brown (C)
- 4 *Friends in High Places*, May (H)
- 5 *Spectator*, Wright (C)
- 6 *Wang, Ross* (H)
- 7 *Greenwich*, Greenberger and Jensen (C)
- 8 *Wells*, Morrell (H)
- 9 *Canadian Living Cookbook*, Preparation (C)
- 10 *The Book of Isaac*, Pinter (C)

(C) Fiction; (H) Non-Fiction

—Compiled by Sandra McGeorge

Marching orders for Mulroney

By Allan Fotheringham

There are those who would describe the body politic. Those who would make sport with the serious business of government. I speak of those (namely that dreadful Ottawa mischievous-maker, Margaree Mitchell) who are cutting about the speculation that Canadians are going to be afflicted with an election crisis. This is silly, if not odious. It is unfair to erect the brims of the voter this way. The voter has enough to worry about, what with frost, income tax deadlines, hypothermia, the post office closing on strikes and the delight of seeing the Toronto Maple Leafs in last place. Do not burden such voter with election trivia.

You are looking at the man who is one of the world's leading authorities (if not the only one) as the brain of Brian Mulroney. I understand how his enemies work. He sits before me as closely as the written Korean instructions on how to assemble a garden chair. It is a word that leaps about like a water bug, relying as much on Irish intonation as it does on political expediency (as in all politicians), timing and the age-old political maxim that the time to kick a guy is when he's down.

There are a number of reasons I can think of (at least six) why there is not going to be an election this year. Since Mr. Mulroney always takes my advice (mainly because it's free), that makes seven. You don't call elections when you're still sitting with third place in the polls. (If the truth be known, Angus Reid in Winnipeg has more to do with the calling of the next election than Mr. Mulroney has.) (If the truth be known, this is the last remaining influence Winnipeg has on the nation.)

Talk of a spring election is complete nonsense. There is the reality of the economic situation in June in Toronto. Our boy Steve Rae Owens is too busy on his superior industrial powers the United States, Britain, Japan, France, West Germany, Italy. There is no way the PM would run the risk of calling a vote before then, thus leaving the position Fotheringham is a columnist for Southern News.

bility of granting John Turner the privilege of being best. There is no way the PM wants to squander the political capital from all that publicity (Hagwood). The centre of the world for a world of 5 billion days—in a city where he needs votes.)

There is another factor. Residents of Toronto will find enormous inconvenience because of the moving of world leaders. Television screens would dictate that these elusive leaders are usually held in isolated sites (Glasgow, Williamsburg, Montebello). Mulroney, since it is his (i.e. every-seven-years)



turn to play host, would those any role he wanted and those to those Toronto a host (Vancouver and Montreal being groundswell backing against). Once Canadians find all they (downside streets blocked off because of attendance gridlock, it will take several months for the anti-Tory irritation to dampen—another reason to postpone an election.

There is the matter of redistribution, due this summer. The backbone boys (bells there, Norcross) calculate that the redrawing of ridings will hurt the Liberals more than the Conservatives. Also, there would be the perception in the public mind—with redistribution equally fair—that the government would be stalling in getting an election just before the actual fun. What this particular government does not need is further talk of monkey.

There is the crucial factor of John Turner. B. Mulroney, every night before he goes to bed, puts down an arm across and thinks God, in His wisdom, for

keeping J. Turner as leader of the Liberals. The longer the Tories can keep Turner (an honest man, but edited for his present role in life) as leader—while waiting to give the necessary discount within the Green about their leader—the better off they are.

There is the tiny matter of the alleged scandals. Just as B. Mulroney thought these small embarrassments were under the rug, Marcel Masse is seen in the headlines, plus Michel Chénier. (Mulroney is quietly trying to dump Masse, but I can't reveal all my secrets.) It reminds the great unwashed about previous alleged scandals. These must elapse to reach the public mind of its members.

This puts us into autumn, early. There is the matter of the American presidential election, which dominates the media—minus the Canadian public's TV habit. B. Mulroney, with his obsession with all things American, would not dare go up against the overwhelming media obsession with the magical, mystical, amazing game as to the successor to R. Reagan.

As things now stand, with the goofy Democrats getting out a Harlequin Mary Brothers act, the odds are that the Republicans with either my man Bob Dole or unwashed George Bush will win. B. Mulroney would very much like a conservative victory in Washington to persuade his going to the polls.

There is the tedious matter of free trade. The final resolution of this will not be decided in Congress until the fall. (Canadians have the concern that the dispute is in Canada. It is not, the decision will be made on Capitol Hill.) Peter Murphy, the U.S. negotiator, agrees with your humble scribe that the deal is dead in the water.

B. Mulroney must wait for a reasonable time for congressmen to cool off from walking-bird-graduate Roman Reagan's team that the Americans were as smart as a Third World monkey in their poppishness. He dare not go into an election with it apparent that Congress is against his dream. Better to let the Yanks defeat it, then—avoidable defeat—be campaign as the nation's trustee that he brief, from me



Friends are worth it.



A romantic scene featuring a man and a woman in bed. The man is wearing an orange shirt and the woman is wearing blue and white striped pajamas. They are looking at each other. In the foreground, a nightstand holds a bottle of Canadian Club whisky, a glass of orange juice, a small basket of fruit, and a vase with purple orchids. A framed picture hangs on the wall above the bed.

"Shall we call it a night."

BEST IN THE HOUSE

Canadian Club